TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, [redacted] 1919

No. [redacted] 1[redacted]6

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 9.

GOVERNMENT EXHIBITS.

FILED MAY 12, 1916.

GOVERNMENT EXHIBITS

VOLUME IX

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Government Exhibit No. 370
February 28, 1913

PRODUCTION OF FOUNDRY PIG IRON IN THE UNITED STATES FROM 1901 TO 1910 INCLUSIVE. ALSO FERRO-SILICON FROM 1903 TO 1910 INCLUSIVE.

Compiled by the Bureau of Statistics of the American Iron and Steel Institute from reports made to the American Iron and Steel Association.

Years	Foundry Pig Iron Made Gross Tons	Ferro-Silicon Made Gross Tons	Total Gross Tons
1901	3,548,718 (Includes Ferro-Sil.)	Not separately reported.	3,548,718
1902	3,851,276 (Includes Ferro-Sil.)	Not separately reported	3,851,276
1903	4,357,507	51,516	4,409,023
1904	3,757,499	69,730	3,827,229
1905	4,697,383	60,655	4,758,038
1906	4,696,317	76,694	4,773,011
1907	5,066,311	84,898	5,151,209
1908	3,573,210	64,412	3,637,622
1909	5,193,312	129,103	5,322,415
1910	5,144,635	115,812	5,260,447

Government Exhibit No. 371
February 28, 1913

PRODUCTION OF PIG IRON BY GRADES

By the Tennessee Coal, Iron, and Railroad Company in 1907 as reported to the American Iron and Steel Association

Compiled by the Bureau of Statistics of The American Iron and Steel Institute, No. 261 South Fourth Street, Philadelphia

Grades--1907	Production Gross Tons
Basic Pig Iron.....	410,149
Foundry Pig Iron.....	184,973
Forge Pig Iron.....	5,332
White and Mottled Pig Iron, Direct Castings, etc.	2,373
Total Production of all kinds of Pig Iron.....	602,827

Government Exhibit No. 372
February 28, 1913

PRODUCTION OF ROLLED IRON AND STEEL BY THE TENNESSEE COAL, IRON, AND RAILROAD COMPANY IN 1907.

Compiled by the Bureau of Statistics of the American Iron and Steel Institute, No. 261 South Fourth St., Philadelphia, from statistics collected by the American Iron and Steel Association

Products--1907	Gross Tons Produced
Bessemer Steel Rails	0
Open-Hearth Steel Rails	149,368
Iron Rails	0
Structural Shapes	2,474
Plates--No. 12 Gauge and Thicker	16,682
Sheets--No. 13 Gauge and Thinner	0
Black Plates for Tinning, included with Plates and Sheets	0
Wire Rods	0
Nail Plate	0
Miscellaneous Rolled Products, including--	
1--Merchant Bars	16,774
2--Skelp	0
3--Hoops, Bands and Cotton Ties	0
4--Splice Bars	0
5--Rolled Forging Blooms and Rolled Forging Billets	3,150
6--Concrete Bars, Sheet Piling, Railroad Ties, Spike and Chain Rods, Bolt and Nut Rods, Horseshoe Bars, Strips, and Other Miscellaneous Rolled Products	0
Total	188,448

(NOTE: The documents which were marked "Government Exhibits 373 to 377 for identification" were not offered in evidence. There are therefore no Government Exhibits corresponding to those numbers.)

Government Exhibit (Murray) No. 378.

(March 5, 1913.)

THE CARNEGIE STEEL COMPANY, LIMITED,
GENERAL OFFICES: CARNEGIE BUILDING,
Pittsburg, Pa.

JOHN G. A. LEISHMAN,
President.

DECEMBER 4TH, 1896.

DEAR SIR:

In view of the important and permanent business relations established by contract between the Bessemer Steamship Company, the Mountain Iron Company, the Missabe Mountain Iron Company and the Duluth, Missabe & Northern Railway Company, corporations in which you are largely interested, and the Oliver Mining Company, which Mr. Henry W. Oliver and The Carnegie Steel Company, Limited, control, it is our intention to purchase, at competitive rates, such ores as we may not ourselves mine, from mines in which you may now or hereafter own a controlling interest, in so far as such mines can furnish ores required by us for what we may regard as the best and most economic furnace practice. We can not, of course, enter into any legal contracts of this kind and write these words simply in reciprocal recognition of courtesies extended by you. We take pleasure in saying further, in special recognition of your courtesy in the matter of leasing the Mountain Iron Mine, and not of course as matter of contract, that it will not be our purpose certainly within the first ten years of the existence of the Mountain Iron lease, to lease, or purchase any fee, in further Missabe properties. Should the mines now leased by us fail to furnish us the ore required, we

think we may confidently rely upon the same mutual interest which has in the past controlled the respective policies of the Companies in which we and you are interested, to arrange new leases of some one or more of your iron properties which shall prove ample and mutually satisfactory.

In the above we are speaking generally and do not mean to include manganese mines or special manganiferous ores.

Yours truly,

JOHN G. A. LEISHMAN,
President.
HENRY W. OLIVER.

To

MR. JOHN D. ROCKEFELLER,
New York, N. Y.

(NOTE: The documents which were marked "Government Exhibits 379 to 381 for identification" were not offered in evidence. There are therefore no Government Exhibits corresponding to those numbers.)

Government Exhibit No. 382.

(March 5, 1913.)

WHEREAS on the Ninth day of January, A. D. 1899, Henry W. Oliver and George T. Oliver, of Pittsburgh, Pa., entered into an agreement with John W. Gates of Chicago, and Isaac L. Elwood, of DeKalb, Ill., for the sale of certain properties to the said John W. Gates and Isaac L. Elwood,

AND WHEREAS as a part consideration for such sale the said Henry W. Oliver and George T. Oliver agreed each for himself that for the period of ten years from and after such date, and within any part of the United States east of the Mississippi River, they would not enter into, carry on or become interested in, either as stockholders, partners or otherwise, any wire rod, wire nail, wire or similar business, save and except as stockholders in the American Steel & Wire Company of New Jersey; and did further agree that within thirty days from such date they would cause David B. Oliver and James

B. Oliver to enter into a like contract with the said John W. Gates and Isaac L. Elwood, or their assigns, upon request.

Now THEREFORE in pursuance of such contract and for the consideration mentioned in the agreement aforesaid, we, David B. Oliver and James B. Oliver, both of Allegheny County, Pa., do agree, each for himself, that for the period of ten years on and after the Ninth day of January, A. D., 1899, and within any part of the United States east of the Mississippi river, we will not enter into or carry on or become interested in either as stockholders or otherwise the wire rod, wire nail, wire or similar business save and except as stockholders in the American Steel & Wire Company of New Jersey, or its successors.

PROVIDED, however, that nothing contained in this agreement shall be so construed as to prevent us from manufacturing round iron and steel in coils as now carried on in the Plant of the Oliver Iron & Steel Company in Pittsburgh, Pa., in which we are at present interested.

IN WITNESS WHEREOF we have hereunto set our hands and seals this twenty-third day of January, A. D. 1899.

DAVID B. OLIVER.
JAMES B. OLIVER.

Government Exhibit No. 383.

(March 5, 1913.)

WHEREAS, The undersigned W. A. Laidlaw, doing business under the name of the LAIDLAW BALE TIE COMPANY, has heretofore made contract with A. M. Crane, of Chicago, Illinois, for the sale of his plants and property connected with the plants operated by him at Joliet, Illinois, and Kansas City, Missouri which contract has been by the said A. M. Crane transferred and assigned to J. W. Gates and I. L. Ellwood.

Now In consummation of the said contract and the consummation of the purchase thereunder, it is agreed by the undersigned:

FIRST: The said W. A. Laidlaw does hereby grant, bargain, sell and deliver and by these Presents does acknowledge that he has bargained, sold, granted and delivered to the said J. W. Gates and I. L. Ellwood, all the stock of mill supplies materials and merchandise now on hand by him at Kansas City, Missouri, and Joliet, Illinois, but not manufactured goods, a separate bill of sale of which is contemporaneously herewith executed and delivered to the said J. W. Gates and I. L. Ellwood, and said Laidlaw does hereby acknowledge payment to him by said Gates and Ellwood of the full purchase price thereof, to wit: The sum of THIRTY-EIGHT HUNDRED AND NINETY NINE DOLLARS and Thirty Cents ($3899.30).

SECOND: Said W. A. Laidlaw contemporaneously with the execution hereof does hereby deliver to the said Gates and Ellwood his warranty deed, covering his entire property and plant at Joliet, Illinois, and which said warranty deed is joined by his wife.

THIRD: Said W. A. Laidlaw further contemporaneously with the execution hereof, executes and delivers to the said Gates and Ellwood an assignment of the lease and leasehold contract in and to the premises at Kansas City, Missouri, whereon his plant is situated and is being operated.

FOURTH: Said Laidlaw further contemporaneously herewith executes and delivers to the said Gates and Ellwood assignments of patents owned by him, one numbered 473321, upon "Improvement in machines for making bale ties," and the other numbered 512617, on "Improvement in bale tie machines."

FIFTH: Said W. A. Laidlaw further now agrees with the said Gates and Ellwood, in consideration of his retaining the manufactured product now on hand by him at Kansas City, Missouri, and Joliet, Illinois, and the right and privilege of disposing of the same in such manner as he may see fit, that that paragraph in the contract made by him with said A. M. Crane, viz. paragraph "Fifth," which is as follows:

"FIFTH: Should the said party of the second part purchase the property of the party of the first part, under this

option, said party of the second part agrees that said party of the first part shall be employed for the period of one year from the date said sale is consummated at a salary of Three Thousand Dollars ($3,000)."

be and the same is hereby cancelled, annulled and waived, and any agreement for employment of the said Laidlaw by the said Crane or Gates and Ellwood, or either of them, or their successors, and assigns, is hereby annulled, waived and held for naught.

SIXTH: Said W. A. Laidlaw in consideration of the purchase by the said Gates and Ellwood of his plant and property, and in consideration of the benefits derived by him by reason thereof, does hereby agree with the said Gates and Ellwood, and each of them, for themselves and their survivors, successors and assigns, that he will not engage in the business of manufacturing, handling or selling wire or wire goods in any part of the United States, except the Territory of Arizona, for the period of ten (10) years from this date, excepting, however, that he may sell and dispose of the manufactured materials and goods he now has on hand, and which are not being purchased by the said parties of the second part, and not otherwise.

SEVENTH: The said W. A. Laidlaw is hereby allowed one week from this date within which to remove the manufactured stock and materials now on hand from the premises of said plants, both in Kansas City, Missouri and Joliet, Illinois.

EIGHTH: Said W. A. Laidlaw does contemporaneously herewith assign and transfer to the said Gates and Ellwood all insurance policies now held by him upon the property now conveyed and transferred to them.

NINTH: Said Gates and Ellwood do hereby agree to assume and carry out all purchase and sales contracts made by the said W. A. Laidlaw, and in force at this time, which said contracts have been delivered to the said Gates and Ellwood.

TENTH: It is expressly agreed that this contract shall be binding and operative in favor of the legal representatives,

successors, survivors and assigns of the respective parties hereto and each of them.

WITNESS The hands and seals of the parties hereto this Twenty-first day of January, A. D., 1899.
In the presence of
A. T. WEAVER.

W. A. LAIDLAW (Seal)
(In pencil) J. W. GATES (Seal)
(In pencil) I. L. ELLWOOD (Seal)

Government Exhibit No. 384.

(March 5, 1913.)

THIS AGREEMENT, made and entered into this 31st day of December, 1898, by and between the Cincinnati Barbed Wire Fence Company, a corporation under the laws of Ohio, Herman Belmer, H. E. Larmon, and Albert G. Belmer, of the City of Cincinnati, Ohio, parties of the first part and J. W. Gates and John Lambert, parties of the second part: WITNESSETH THAT WHEREAS, the Cincinnati Barbed Wire Fence Company has this day sold to the party of the second part its manufacturing plant, tools, and machinery located in the City of Cincinnati, County of Hamilton, State of Ohio, and also the merchandise on hand and used in said business and the good will thereof and said H. E. Belmer and H. E. Larmon, are stockholders, directors, and officers of said The Cincinnati Barbed Wire Fence Company, and Albert G. Belmer is actively engaged in the business of said Company, and as a part and parcel of the consideration of said transaction said The Cincinnati Barbed Wire Fence Company, Herman Belmer, H. E. Larmon, and Albert G. Belmer have agreed to refrain from engaging in the manufacturing business now carried on by said The Cincinnati Barbed Wire Fence Company, for a definite time and in certain territory, and to execute a formal agreement to carry same out; NOW, THEREFORE in consideration of the premises and for full value received, said parties of the first part do hereby agree to and

with the said parties of the second part and to the use and benefit of any person or persons, or corporation or corporations to whom said parties of the second part may sell or transfer said plant that they will refrain from engaging in the said manufacturing business now carried on by said The Cincinnati Barbed Wire Fence Company, for a period of ten (10) years, from the date hereof in any place within the United States of America except as stockholders, or employees of the American Steel & Wire Co., or its successors or assigns, except by the consent of said parties of the second part or such person or persons, or heirs, representatives or corporation or corporations as may acquire said manufacturing plant;

IN WITNESS WHEREOF, said parties have hereunto set their respective hands and seals the day and year above written.

ATTEST:

THE CINCINNATI BARBED WIRE FENCE CO. (Seal)
per H. E. LARMON, Pres't (Seal)
per R. D. CARVER, Secy. (Seal)
H. BELMER (Seal)
ALBERT G. BELMER (Seal)
HARRIET C. LARMON

Government Exhibit No. 385.

(March 5, 1913.)

AGREEMENT made and entered into on this 14th day of January, A. D., 1899, by and between ALBERT HENLEY of Lawrence, Kansas, and J. A. HENLEY, of Joliet, Illinois, and each of them, parties of the first part, and J. W. GATES, of Chicago, Illinois, and I. L. ELWOOD, of DeKalb, Illinois, parties of the second part.

WHEREAS, The parties hereto entered into a contract for the purchase and sale of the property and assets of the CONSOLIDATED BARB WIRE COMPANY, under date of December 24th, 1898, in which said Consolidated Barb Wire Company the said parties of the first part own the controlling interest, in the capital stock; and,

WHEREAS, One of the considerations and inducements for the said parties of the second part to purchase the said property and plant of the Consolidated Barb Wire Company is the agreement that the parties of the first part would agree not to engage in any business or enterprise of any kind or character having anything to do, directly or indirectly, with the manufacture, purchase, sale or handling of wire or wire goods in any part, State, or Territory of the United States, except the Territory of Arizona, during the time they are employed by the successor to the business of the Consolidated Barb Wire Company and during any time that they are offered employment and have an opportunity to be employed by the successor to said business during ten (10) years from December 24th, 1898; and,

WHEREAS, The parties of the second part have consummated said purchase of said property and plant of said Consolidated Barb Wire Company, and have in all respects performed the contract by them agreed to be performed.

NOW, THEREFORE, In consideration of the premises and in consideration of the benefits and profits which the parties of the first part have derived in the premises, the said parties of the first part and each does for himself, now agree with the said parties of the second part and their respective survivors and assigns, that each of them will not engage in any business or enterprise of any kind or character having anything to do, directly or indirectly with the manufacture, purchase, sale or handling of wire or wire goods, whether by financial investment, personal service or otherwise, in any part, State or Territory, of the United States, except the Territory of Arizona, during the time they are employed by the successor to the business of the Consolidated Barb Wire Company as set forth in sections nine and ten of contract made December 24, 1898, between J. W. Gates and I. L. Ellwood and Consolidated Barb Wire Co., Albert Henley and J. A. Henley, and during any time that they are offered employment and have an opportunity to be employed by the successor to such business, for the period of ten (10) years from December 24th, A. D., 1898.

It is expressly agreed between the parties hereto that this contract and each and all the provisions thereof, shall be operative and binding in favor of the respective survivors, heirs,

representatives, administrators and assigns of each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written, after making above interlineation.

ALBERT HENLEY (Seal)
J. A. HENLEY (Seal)
..... (Seal)
..... (Seal)

In presence of CHARLES S. ROBERTS.

Government Exhibit No. 386.

(March 5, 1913.)

Sales Department,
AMERICAN STEEL & WIRE COMPANY.
THE ROOKERY,
Chicago.

CHICAGO, JANUARY 9, 1904.

To JOBBERS.

ADVANCE IN PRICES.

Withdrawing all previous prices, we beg to quote you as follows, effective immediately.

To Jobbers:	CARLOADS
Wire Nails	$1.85 base.
Ptd. Jol. Glid. Barb Wire	2.15 per 100 lbs.
Galv. " " " "	2.45 " " "
Parker & Ellwood 5 cents per 100 lbs. extra.	
Polished Fence Staples	2.00 per keg
Galvanized " "	2.30 " "
6-9 Annealed Fence Wire	1.75 " 100 lbs.
" Galvanized " "	2.05 " " "

Card advance for other sizes.
Small lots 5 cents per 100 lbs. extra.
Above prices are f. o. b. cars Pittsburg, Pa.

2½ cts. per 100 lbs. advance f. o. b. cars Cleveland
5 " " " " " " dock "
15 " " " " " " cars Joliet-DeKalb.

Prices delivered at destination will be obtained by adding tariff rate of freight.

Our quotations to the retail trade will be 5 cents higher than jobbers figures on car lots and 10 cents higher than jobbers figures on less than carload lots.

Terms 60 days net, or 2% discount for cash 10 days from date of invoice.

All quotations are subject to immediate acceptance and change without notice.

Contracts will be entered for delivery within 60 days from date of same, for definite quantities.

Ellwood Barbed Wire is made only at DeKalb, and therefore DeKalb prices and freights govern on that style.

The outlook for spring trade was never better. Stocks in the hands of the jobbers as well as the retailers are absolutely depleted, and, fortunately, the stocks at mills are also exhausted. It behooves everybody, therefore, to anticipate their wants as far ahead as possible in order to have goods at the time they are wanted. Such being the conditions, there is absolutely no reason why our friends should not get the benefit of this advance. Don't fool away your profits when you have a chance to make money.

Yours truly,
F. BAACKES,
General Sales Agent.

Government Exhibit No. 387.

(March 5, 1913.)

Office of
General Sales Agent
AMERICAN STEEL & WIRE CO.

FRANK BAACKES, Gen'l Sales Agent.

CHICAGO, AUGUST 16TH, 1904.

TO JOBBERS:

Effective to-day we are pleased to name you on specifications for prompt shipment:

	CAR LOTS.
Wire Nails	$1.60 base
Ptd. Joliet Glidden barbed wire	1.75 per 100 lbs.
Galv. " " " "	2.05 " " "
Baker and Ellwood 5 cts. per 100 lbs. extra	
Polished fence staples	1.70 per keg.
Galvanized fence staples	2.00 " "
6—9 Annealed fence wire	1.45 per 100 lbs.
" Galvanized " "	1.75 " " "

Usual advance for other sizes.

Small lots 5 cents per 100 lbs. extra.

Above prices are f. o. b. cars Pittsburg, Penna.

2½ cts. per 100 lbs. advance f. o. b. cars Cleveland.

5 " " " " " " dock Cleveland.

15 " " " " " " cars Joliet-DeKalb.

Prices delivered at destination will be obtained by adding tariff rate of freight.

Usual differential of 5 cents per 100 lbs on carload lots of all above commodities, to the retail trade.

Terms: 60 days net, or 2% discount for cash ten days from date of invoice.

All quotations are subject to immediate acceptance and change without notice.

Contracts will be entered for delivery within 30 days from date of same for definite quantities only.

Ellwood barbed wire is made only at DeKalb, and therefore DeKalb prices and freights govern on that style.

Yours very truly,

F. BAACKES,
General Sales Agent.

Government Exhibit Gayley No. 388.

(March 6, 1913.)

UNITED STATES STEEL CORPORATION.
Office of the First Vice President.

NEW YORK, NOVEMBER 7TH, 1902.

MY DEAR JUDGE:

I recall that Mr. James J. Hill advised you that some time in November his son Louis would be on to take up the question of their ore deposits. I presume he placed it in November on account of having Louis look after his political interest. This now being determined, I presume he will have the time to take up the matter, although perhaps he is not in the best humor for doing so. At the same time, I think we should find out what they propose to do in the matter, and would be pleased if you would arrange with Mr. Hill, according to his previous advices, for a meeting on this subject. I think it should be so arranged that Mr. Perkins can be there at the same time.

Yours very truly,

J. G.,
First Vice President.

To HON. E. H. GARY,
Chairman, Executive Committee,
United States Steel Corporation,
71 Broadway, City.

Government Exhibit Gayley No. 389.

(March 6, 1913.)

J. P. MORGAN & Co.
Wall St., corner Broad,
New York.
DREXEL & Co.
Philadelphia.
MORGAN, HARJES & Co.
Paris.

NEW YORK, JAN. 5TH, 1903.

MY DEAR MR. GAYLEY:

The papers in the enclosed envelope addressed to Mr. Jas. J. Hill, ought to be kept where we can get at them when we resume our negotiations with him.

Sincerely yours,
G. W. P.

MR. JAMES GAYLEY,
United States Steel Corporation.
(enc.)

Government Exhibit Gayley No. 390.

(March 6, 1913.)

UNITED STATES STEEL CORPORATION
Office of the First Vice President.

NEW YORK, 6TH FEBRUARY, 1903.

SUBJECT: Hill Ore Properties.

MY DEAR MR. FRICK:

I enclose to you, as requested, a form of proposition to submit to Mr. Hill. You will note in this proposition, that the first paragraph and Article No. 5 use the terms "contract" and "ore to be purchased." I have proposed this method of securing Mr. Hill's ore supply, namely, by purchase of the ore as removed from the ground, instead of

paying royalty on a lease, inasmuch as it would leave the ownership of the property where it now is (excepting the leases they have control of), and Mr. Hill would, therefore, pay the taxes on such property, which I think he is entitled to do, considering the royalty and freight rate guaranteed; and I think it further desirable that Mr. Hill should be interested jointly with us, and that we should have his influence, in keeping taxes in Minnesota as low as possible.

Yours very truly,

First Vice President.

To H. C. Frick, Frick Building,
Pittsburgh, Pa.

Government Exhibit Gayley No. 391.

(March 6, 1913.)

UNITED STATES STEEL CORPORATION
Office of the First Vice President.

FEBRUARY, 1903.

MY DEAR SIR:

Looking to the acquisition by the Steel Corporation, of the ore properties controlled by the interests which you represent, on a fifty year contract, we beg to present to you the following proposition:

(1) There shall be turned over to a subsidiary company of the Steel Corporation, all the lands in Minnesota on, or adjacent to, an ore formation, which are owned or controlled by your railroad interests, mining interests, or by personal interest, (including the properties of the Fay Exploration Co., controlled by Mr. Louis Hill), whether explored or not.

(2) All leases which have been acquired by any of the interests mentioned in No. 1, to be transferred to us at the cost of acquiring those leases, in addition to any work of exploration done thereon. The lease, as to each property, to be made for one day less than the term of the existing lease on such property, and such lease to be in the usual form in the Lake Superior mining region.

(3) The properties to be thoroughly explored by yourselves, in such manner as shall show the full extent and quality of the ore, and in the work of exploration a representative of the Steel Corporation to be accorded the right to make as frequent examinations of the exploratory work as may be deemed necessary.

(4) After the properties have been thoroughly explored, the Steel Corporation shall have the right to surrender any land that may not contain ore in merchantable or paying quantities.

(5) The ore to be purchased on a sliding scale of prices, based on merchantable ore containing 60% of iron in the dry state, as follows, which shall be designated as "base price":

Period.	Rate of base price.
1-10 years	$0.50 per gross ton
10-20 "	0.55 " " "
20-30 "	0.60 " " "
30-40 "	0.65 " " "
40-50 "	0.70 " " "

(6) The average cost of delivering ore on board vessel will be as follows, with the 50 cents per ton price:

Mining	$0.67 per ton
Purchase price	0.50 " "
Rail freight	0.80 " "
Total	$1.97 " "

Based on ore containing 60% of iron, this represents 3.28 cents per unit of iron.

As to ore increases or decreases in its percentage of iron above the base, namely 60%, the price rate during the periods set forth shall increase or decrease in the following manner:

ILLUSTRATION WITH BASE PRICE AT 50c PER TON.

		Price rate.
64 per cent. iron at	3.28 per unit of iron—	$2.10 per ton 0.63
64 " " " "	3.28 " " " "	2.03 " " 0.56
Base-60 " " " "	3.28 " " " "	1.97 " " 0.50
58 " " " "	3.28 " " " "	1.90 " " 0.43

56	per cent.	iron at	3.28	per	unit of	iron—	$1.84	per	ton	0.37
54	"	"	"	3.28	"	"	"	"	1.77	"	"	0.30
Below-54	"	"	"	3.28	"	"	"	"	——	"	"	0.25

(7) All of the ore obtained from these properties to be shipped over your Railway to the Lakes, and delivered f. o. b. vessel, at a rate of freight not to exceed 80 cents per ton.

(8) The work of exploration, with respect to any one body of ore, to be continuously prosecuted until completed, and the Steel Corporation shall not be required to begin mining operations until fifty million (50,000,000) tons of merchantable ore have been shown up, but may at their option begin mining operations with a less quantity.

(9) After the explorations have been completed in a thorough manner, the minimum shall be 1/50th of the merchantable ore shown up by the explorations, and shall be a blanket minimum on all properties.

(10) The tonnage of merchantable ore shall be arrived at by using the following factors:

13	cu. ft.	for ore averaging		62%	metallic	iron,	or over;
14	cu. ft.	"	"	60 to 62%	"	"	
15	cu. ft.	"	"	58 to 60%	"	"	
16	cu. ft.	"	"	56 to 58%	"	"	

If any ore 54% to 56% metallic iron is included in estimate, a factor of 18 cu. ft. per ton is to be used. If any 52% to 54% is included, 20 cu. ft. per ton.

(11) Ore mined and shipped in excess of the minimum in any year may be applied on minimum of subsequent year or years.

(12) This contract can be surrendered by giving one year's notice, reserving the right to remove machinery and tracks.

Yours very truly,
Member of Finance Committee.

To MR. J. J. HILL,
New York City.

Government Exhibit Gayley No. 392.

(March 6, 1913.)

OLIVER IRON MINING COMPANY.
General Office; Wolvin Building.

THOMAS F. COLE,
President.

DULUTH, MINN., FEBRUARY 11, 1905.

ORE ESTIMATES ON MISSABE RANGE LANDS CONTROLLED BY INTERESTS REPRESENTED BY MR. J. J. HILL.

MY DEAR SIR:

Inclosed I hand you blue-prints of statements that have been carefully compiled by our Mr. Sebenius and his assistants, and showing what I consider a very close estimate of the ore reserves on so-called Hill lands.

The statements are full and complete and show tonnages as follows:

	Tons.
Great Northern Railway lands (Not under lease)	97,128,169
Northern Pacific Railway lands (Fee)	35,072,483

We have made estimates of ore on the Northern Pacific Railway lands, although we are not fully advised that Mr. Hill absolutely controls this tonnage.

We also inclose blue-print showing estimates of ore tonnage and grades on lands either owned wholly or part in fee, but leased to mining companies, or leased properties assigned or subleased to other operators with traffic contracts.

This ore amounts to 96,311,953 tons.

This is a preliminary report, forwarded to you to give you advance information, and, Monday, I hope to write a full and complete letter, with an additional statement cover-

ing ore on which the Great Northern people have secured traffic contracts, and not otherwise owned by them.

Very truly yours,

T. F. COLE,
President.

To MR. JAMES GAYLEY,
First Vice-Pres't. U. S. Steel Corporation,
New York City, New York.

Government Exhibit Gayley No. 393.

(March 6, 1913.)

UNITED STATES STEEL CORPORATION.
Office of the First Vice President.

NEW YORK, 31ST JANUARY, 1905.

SUBJECT: Hill Ore Lands, Mesaba Range.

MY DEAR MR. PERKINS:

I enclose to you a map which was forwarded to us by Mr. Louis W. Hill, representing their ore lands on the Mesaba Range. It is not necessary for us to take a copy of this map, as our own map, on a larger scale, shows the matter much more plainly than does this one, as it shows the width of the formation.

Very truly yours,

J. G.
First Vice President.

To MR. GEORGE W. PERKINS,
Chairman, Finance Committee,
New York City.

Government Exhibit Gayley No. 394.

(March 6, 1913.)

OLIVER IRON MINING COMPANY.
General Offices: Wolvin Building.

DULUTH, MINN. FEB. 13, 1905.

ORE ESTIMATES ON MISSABE RANGE LANDS CONTROLLED BY INTEREST REPRESENTED BY J. J. HILL.

MY DEAR SIR:

Supplementing my letter of Saturday, last, I beg to enclose herewith letter written by Mr. Sebenius, of even date, with blue print showing the properties which the Hill interests have covered by traffic contracts. The total tonnage, as near as can be estimated, of this ore amounts to 25,338,903 tons Bessemer and 44,743,361 tons Non-Bessemer.

Please note what Mr. Sebenius has stated with reference to the securing of the information upon which the figures in the estimates are based. We have all tried to make them as full and complete and as near right as we could, taking into consideration all information we could possibly secure.

Yours truly,

T. F. COLE,
President.

To

MR. JAMES GAYLEY,
First Vice President, U. S. Steel Corporation,
New York City.

Government Exhibit (Gayley) No. 395.

(March 6, 1913.)

OLIVER IRON MINING COMPANY.
DEPARTMENT OF MINERAL LANDS
AND EXPLORATIONS ON MISSABE RANGE,
WOLVIN BUILDING.

DULUTH, MINN., FEBRUARY 13TH, 1905.

ORE RESERVES CONTROLLED BY J. J. HILL (GREAT NORTHERN) INTERESTS:

MR. T. F. COLE, President,
Building.

DEAR SIR:

Referring to the recent estimate of ore reserves controlled by the J. J. Hill interests, I would like to say that the estimates are the best that the conditions will permit me to give you. They cannot be absolute, for the reason that in most cases the Great Northern lands have not been properly explored and therefore are not at all as well known as our own properties are to us. For the above reason any estimate that the Great Northern people themselves could give at the present time would probably be still less satisfactory than our own, inasmuch as we have much data from adjoining properties on which we could base our estimates.

I wish further to say that the records are not entirely clear as to the interest the Great Northern holds on the Missabe Range. In certain cases it is almost impossible to decide whether it is a Hill property or not. As an instance I would like to mention the Leonard Mine, on which the Great Northern has a traffic contract, but at the same time Mr. Hill has an interest in the mining lease. How much that interest is we cannot say. Another instance is the property described as the E. ½ of the S. W. ¼ Section 15, 58-19. Records show that this belongs to Hill, but at the same time I have information that they own nothing but the traffic contract on this property. These two cases are the most striking ones, and I want to call attention to them as I wish you to make

special mention of them when you write your final letter, so that the New York office shall not come back at us stating that the information which we have gathered is incorrect. If it is not entirely right it is because there is no information available by which we can be guided absolutely.

I will also further state that the Great Northern people may possibly claim a great deal larger tonnage than we have estimated, and in regard to this point will say that we will stand firm on our estimates until the Great Northern people show us by actual explorations that more ore has been developed than is shown in the recent estimates by us.

In making these estimates I have not relied solely upon my own information in regard to the Missabe Range, but have consulted various interested parties, our Superintendents on the Range, and have conferred and discussed from time to time these matters with yourself, Mr. Olcott and Mr. Powell, and the estimates as submitted to you are compromised estimates, which we believe to be as correct as can be had at the present date.

Yours very truly,
JOHN UNO SEBENIUS.

Government Exhibit (Gayley) No. 396.

(March 6, 1913.)

UNITED STATES STEEL CORPORATION.
Office of the First Vice President.

NEW YORK, 30TH JANUARY, 1906.

MY DEAR JUDGE:

Our present minimums on the Mesaba Range are 6,461,000 tons per annum. In addition to this, we have 2,350,000 tons on all the old ranges.

Yours very truly,
J. G.
First Vice President.

To HON. E. H. GARY,
Chairman Board of Directors,
Building.

PROPOSITION.

FIRST: The Steel Corporation to have a lease of all of the fee lands owned or controlled by James J. Hill and his associates, including the Great Northern and the Northern Pacific Railway lands, their allied corporations and trustees; also a sub-lease of all the leasehold mineral lands controlled by the same parties.

SECOND: Terms of the lease perpetual.

THIRD: Royalty to be 85 cents per gross ton of 2240 pounds on all merchantable ore shipped. In all cases where there is a sub-lease, the amount to be paid to the fee owner to be deducted from the sum to be paid to Hill and associates so that the royalty paid by the Steel Corporation is to be 85 cents per ton. After two years from the date of the leases and contracts, the royalty to be increased yearly 3.4 cents per ton, for twenty years, or until the royalty reaches $1.53 per ton. Thereafter the royalty to be $1.53 per ton during the term of the lease.

FOURTH: The minimum amount to be mined and shipped each year, and on which royalty is to be paid at the above rates, is as follows: 750,000 tons the first year, and an increase of 750,000 tons each year for nine years until the total minimum reaches 7,500,000 tons per annum; and thereafter during the term of this lease, or until the ore is exhausted or the lease cancelled, the minimum is to be 7,500,000 tons per annum.

FIFTH: Lease to contain a clause, that when the ore is nearly exhausted, if it is not practicable to mine the full minimum, then the minimum to be reduced to such quantity as it is practicable to mine and ship from the property.

SIXTH: The lease also to contain a clause that if the Steel Corporation fails to mine and ship the minimum quantity in any year, it shall nevertheless pay the said minimum as aforesaid, and shall be entitled to mine ore in any subsequent year or years, in excess of the minimum for such year or years.

without payment therefor, until prepayments of royalty are exhausted.

SEVENTH: All ore so mined and shipped from the lands of the lessors, as aforesaid, shall be shipped over the Great Northern or Northern Pacific Road, and delivered to the lessee at the ports of Duluth or Superior, on Lake Superior, at the above rates of Royalty plus a rail rate of 80 cents per gross ton of 2240 pounds.

EIGHTH: Said railroads shall at all times, when requested, construct their lines of railroad, and furnish tracks and facilities for opening up the mines and for handling the ore from any of the properties so leased. It may be more convenient, in matters of transportation, to ship a certain tonnage of the lessor's ore over the railroads controlled by the Steel Corporation, in which event this can be allowed in any one year by virtue of the Corporation replacing such diverted tonnage with an equal amount of ore from its own mines in the same year.

If at any time or times the said Northern Pacific and Great Northern Railroad Companies, or either of them, fail to construct lines and tracks or to furnish the facilities necessary to enable the lessee to ship the ores from the said lands, as provided in the minimums, then the lessee may ship the said ores over its own lines of road for and during the time of such lack of railroad tracks and facilities, and to the extent of the ore so shipped over its own lines it shall be entitled to a credit of 80 cents per ton on the ore so delivered at Lake Superior ports.

NINTH: There should be a clause providing that this royalty is based on shipments of ore containing not less than 60% of metallic iron, and in the event that ore of a lower grade is shipped, then the royalty on such lower grade is to be reduced proportionately as the percentage of iron is decreased below 60%.

TENTH: As some of said ores contain sand and will need to be washed or subjected to other treatment, the said lease shall contain the usual washing clause, and the royalties are to be paid upon the concentrates shipped.

ELEVENTH: Lease is also to contain the usual provisions of iron ore leases in that vicinity.

TWELFTH: Mr. Hill, his associates and the railroad companies, being the lessor herein, should agree that neither they nor anyone for them should acquire or become interested in ore properties in the Lake Superior region, and if any are offered to them, they should notify the lessee and give it the first opportunity to acquire said properties.

Government Exhibit (Gayley) No. 397.

(March 6, 1913.)

UNITED STATES STEEL CORPORATION.
71 Broadway, Empire Building.

NEW YORK, 26TH FEBRUARY, 1907.

JAMES GAYLEY,
First Vice President.

SUBJECT: Mine Leases. Ore Reserves on Lands covered by Hill lease.

MY DEAR SIR:

I enclose you herewith statement showing the number of tons of ore now actually disclosed on lands it is proposed to include in the Hill lease. The estimates are made from records of explorations conducted on these lands by the Hill people or parties interested, that have been submitted to us.

We also enclose sheet showing the distribution of total tonnage on these lands, and have noted thereon the lands that will contain *probable* ore. To the grand total now developed —about 175,000,000 tons—it probably would be safe to add an additional 75,000,000 tons as probable ore.

Yours very truly,
T. F. COLE.

TO MR. JAMES GAYLEY,
First Vice President,
U. S. Steel Corporation,
New York, N. Y.

Government Exhibit (Gayley) No. 398.

(March 6, 1913.)

UNITED STATES STEEL CORPORATION.
Office of the First Vice President.

NEW YORK, 6TH MARCH, 1907.

SUBJECT: Hill Ore Lands.

DEAR MR. COREY:

From all the data furnished to our people by the Hill interests it is shown that there has been through exploration a tonnage development of 159,131,000 tons of iron ore, in which average analysis is 56.60 iron, .071 phosphorus, and 17,000,000 tons of 48.50 iron, .052 phosphorus. In mining the above tonnage of 159,131,000 tons, we would secure about 30,000,000 tons of Bessemer ore, as shown by their exploration sheets. It is probable that about 70,000,000 tons will be added later to above estimate.

Yours very truly,

J. G.
First Vice President.

TO MR. W. E. COREY,
President U. S. Steel Corporation,
Building.

Government Exhibit No. 399.

(March 7, 1913.)

ELBERT H. GARY, called as a witness in behalf of the defendant, being duly sworn, testifies as follows:

Direct-examination by Defendant's Counsel:

I have been in New York for the last four years in connection with the U. S. Steel Corporation. I am chairman of the Executive Committee, a member of the Finance Committee, one of the Board of Directors. I have been connected with the wire rod, or steel business in the United States since the organization of the Consolidated Steel and Wire Com-

pany, in about 1892, I had charge of the legal work and a good deal of the other work at the time that was organized. I did not become interested as a stockholder until some time after that. I was interested as a stockholder in that company for a good many years. About that time, between 1892 and 1896 or 1897, I was practicing law in Chicago. Previous to that I was on the Bench in Chicago. The Consolidated Steel and Wire Company purchased the plants of various companies, including the plants at or near Pittsburg, a plant at Allentown, Pennsylvania, a plant at Joliet, Illinois, a plant at St. Louis, Missouri, and a plant at Lockport, Illinois; its capital stock was $4,000,000. I have been acquainted with the defendant, John W. Gates, ever since he was a baby. He was one of the pioneers; I can't give you the exact date, but it was early in the 80's, at the time he was president of a wire steel company or a wire company, at St. Louis, Missouri. He was very actively interested in the organization; he was a large stockholder, a director and general manager of the company for a great many years until he was elected president of the Illinois Steel Company in about 1894. He remained president of the Illinois Steel Company until the 31st of December, 1898. His resignation was tendered some time before that, but was not accepted until that date, or the 1st of January. Prior to the summer of 1897, I or Mr. Gates, or both of us together, had been doing something looking towards the consolidation of wire and steel factories.

Q. Will you state to the Court generally the nature of those negotiations, if any?

Objected to as irrelevant by plaintiff's counsel. The fact is admitted.

THE COURT: Perhaps it is a sort of an off-set to Mr. Parks' statement of what he had been doing in the same direction.

PLAINTIFF'S COUNSEL: But there was no objection made to that, and that was followed up.

THE COURT: It will be interesting anyhow.

PLAINTIFF'S COUNSEL: As a mere matter of curiosity let us have it, but still I will maintain the objection that it is irrelevant.

Objection overruled. Exception by plaintiff's Counsel.

A. In the first place, the organization and the putting into operation of the Consolidated Steel and Wire Company was a long step in that direction. That was in 1892. Subsequently to that time Mr. Gates and I had very frequently, sometimes with others, sometimes with ourselves, had under consideration and discussion the amalgamation of different wire properties. On one or two or more occasions perhaps Mr. Gates and Col. Lambert and I had particularly had up the subject with Col. Elwood, who is the owner of two prominent plants, at DeKalb, Illinois, and also the purchase of the American Wire Company of Cleveland, and also the American Wire and Steel Company of Anderson, Indiana, and also the kindred lines, including a Columbus plant, furnaces, the King, Gilbert & Warner and also the Lorrain Steel Company, at Lorrain, Ohio, and others. I may say that Mr. Gates and I were both interested also in the Illinois Steel Company; we were both stockholders and directors. Mr. Gates was president and I was the general counsel.

Q. Coming down now to the spring or summer of 1897 before the arrangement with Mr. Ten Broeck which has been testified to in this case, will you please state to the Court what, if anything, you and Mr. Gates, or either of you, were doing in regard to the consolidation of iron businesses?

PLAINTIFF'S COUNSEL: Same objection. Objection overruled. Exception by Plaintiff's Counsel.

A. The first thing we actually did, as I remember, was to take an option on the American Wire Company, if that is the technical name of a concern at Cleveland, Ohio; I drew the papers and the option was taken in Mr. Gates's name; my impression is that the price was $600,000 cash. The option was to come through Mr. Thomas, president of the Erie Railroad, and others who were interested in the American Wire Company. We considered it a low price and a good price anyhow. I had met, on several occasions, as I remember, Mr. Odell, now Governor Odell, who was the receiver and in control of the Newburgh plant at Newburgh, New York. I don't think I had actually procured the option at that time, but I had an understanding in regard to it—with Mr. Odell.

Q. In the summer of 1897 did you have any conference with Mr. Ten Broeck, or Mr. Parks, or any of their associates, at which Mr. Gates was present, or by yourself alone? Will you kindly state to the Court all that occurred from the first coming together of Mr. Ten Broeck and Mr. Parks or any of his associates, with you or with Mr. Gates, so far as you personally know? A. And also what preceded that—what led up to that?

Q. And what directly preceded that and what led up to it?

PLAINTIFF'S COUNSEL: I ask Defendant's Counsel to divide his question, first, if he desires to ask him in the absence of Mr. Parks, and secondly in the presence of Mr. Parks, so that I can raise objection.

THE WITNESS: What preceded it was in the absence of Mr. Parks.

PLAINTIFF'S COUNSEL: Then I raise the objection. Will the witness state in whose presence it was?

DEFENDANT'S COUNSEL: I will examine the witness and bring it out.

THE COURT: I will hear it, and entertain the motion to strike it out, with the same force and effect as though the question were answered.

Q. Judge Gary, it appears in evidence, by Plaintiff's Exhibit A, that an agreement was entered into, a written agreement, between yourself on the one part, representing yourself and your associates, and by G. H. Ten Broeck, representing himself and his associates, and I now show you the original agreement (handing witness paper). Please state to the Court what occurred directly preceding and leading up to the execution of that agreement between yourself and Mr. Ten Broeck, or between yourself and Mr. Parks?

PLAINTIFF'S COUNSEL: I object to it so far as it relates to the conversation with Mr. Ten Broeck, as being irrelevant.

Objection overruled. Exception by Plaintiff's Counsel.

A. I returned from Europe the latter part of August, 1897; I found Mr. Gates waiting for me in Chicago. Mr. Gates stated that he had in mind the purchase, by a company to be formed, of the principal steel and wire manufactories in this country, and asked me to consider the subject with him.

After discussing the subject with him several times, he and I decided to come to New York and actively take up the question. My impression is—I may not be strictly accurate—that prior to that time, and before I went abroad, we had actually taken the option on the Cleveland property. However, we came to New York, and in various ways, by letter and otherwise—by letters of invitation and otherwise—attempted to get the manufacturers—the leading manufacturers, in control of the different properties, in New York for consultation; and I will say here, once for all, that Mr. Gates and I spent the most of our time here for more than eight months perhaps in New York City, upon that subject. After we had been in New York a few days Mr. Gates said to me one day that he was expecting some gentlemen who were also considering the subject of consolidating all the wire business interests, and soon after there appeared at Mr. Gates's rooms at the Holland House, as I now remember, Mr. Ten Broeck, a lawyer of St. Louis, Mr. Ladd, then I think of Providence, Rhode Island, and Mr. Wolf, a manufacturer of St. Louis, or vicinity.

I have already given the names of those who were present at a conference at the Holland House; I think Mr. Parks was not there.

PLAINTIFF'S COUNSEL: Then I simply renew the same objection.

Objection overruled. Exception by plaintiff's counsel.

Mr. Ten Broeck said that he and Mr. Wolf had been doing considerable work in reference to a proposed amalgamation of the wire and nail manufacturers, and to that end he and Mr. Wolf had visited members of the principal plants in the country, and believed they could make the plan successful, but understood that Mr. Gates and I had under consideration the same idea and would like to join forces. We expressed our doubt as to their ability to do anything with the manufacturers.

I mean to say that we told them in substance, we did not think their efforts could be of any practical benefit, because they did not have sufficient acquaintance or standing with the manufacturers, and because they did not have the financial backing necessary, but we did finally agree to meet them the

second time, and Mr. Gates having had some conversation in the meantime on the subject, we said to them in substance that we might possibly consider the advisability of working together, and we then asked them whether or not they had any financial backing. Mr. Ladd said he believed he could get it. Mr. Gates told him in substance that the first and important thing to be considered, was the question of finances.

The plan required not only the purchase of the properties from the wire manufacturers, but also required financial backing which should provide a large sum of money and unless that was secured, he did not believe any plan would be successful. That was made very emphatic, and although Mr. Ladd said at that time he believed he could get it, he was not at all definite and did not mention the names of any bankers.

Finally, Mr. Gates called attention to the fact that J. P. Morgan was a large bondholder and stockholder of the Illinois Steel Company, that we were acquainted, he and I were acquainted at Morgan's and he believed it was possible to get the firm of J. P. Morgan & Company enlisted in the enterprise, and Mr. Ladd and Mr. Ten Broeck and Mr. Wolf at once said, "If that is possible to do, why of course the thing can be made successful, and we would be very glad indeed if you can do that, to unite and go on with this together," and we then arranged—it was then stated in substance, that Mr. Gates and I would see the firm of J. P. Morgan & Company and see Mr. Ladd and his associates afterwards.

I think in the second interview, certainly very soon after that, Mr. Ladd mentioned the fact that one of his associates would be a Mr. J. H. Parks, whom we knew—I had some acquaintance with him, not as much as with some of the others, but I had met him several times. Perhaps that answers your question.

Q. Did you subsequently call upon J. P. Morgan & Company and have an interview in regard to this business, and if so, who was present and what occurred? A. The very next morning Mr. Gates and I went to the banking house of J. P. Morgan & Company and had—

PLAINTIFF'S COUNSEL: I do not object to your stating that you went there, but I would like to repeat my objection that the declarations of a member of the firm of J. P. Morgan

and Company and conversation between the witness and a member or members of that firm, in the absence of the plaintiff, are irrelevant and inadmissible.

Objection overruled. Exception by plaintiff's counsel.

PLAINTIFF'S COUNSEL: And also that whatever agreement there was between the witness and Mr. Ten Broeck, representing himself and associates, and J. P. Morgan & Company, was reduced to writing and that conversations and interviews theretofore are irrelevant and inadmissible to affect the terms of a parole agreement, or for any purpose in this action.

Objection overruled. Exception by plaintiff's counsel.

A. We met at that time Mr. C. H. Coster, who was the member of the firm of J. P. Morgan & Company that has more especial control and management of organizations, I will say, including railroad and industrial organizations, with his other duties and responsibilities. As a result of that interview, Mr. Coster said to Mr. Gates and to me that he looked upon this business proposition rather favorably, but he would like to talk with Mr. J. P. Morgan, and he would like to see us again. We made an appointment and went back there the next morning, by appointment and met Mr. Coster, who said he had talked with Mr. J. P. Morgan and they would take this matter up.

Thereupon Mr. Gates or I, or both of us—I was certainly present—reported to some of these parties including anyhow Mr. Ladd and Mr. Ten Broeck, the result of our interview—I mean just what had taken place with Mr. Coster and it was then arranged that we should together go and see Mr. Coster.

Pursuant to that arrangement, if I am not mistaken, and I believe my memory serves me, very shortly after Mr. Ten Broeck, Mr. Ladd, Mr. Parks, Mr. Wolf, Mr. Gates and I went to the banking house of J. P. Morgan & Company and had an interview with Mr. Coster, in which Mr. Coster stated that he was inclined to take this up, and the basis of our arrangement was talked about and agreed upon. The amount of the capital stock was discussed and agreed upon; the amount of money to be raised was agreed upon; the compensation or profits so called, which were to be paid to those who had

PLAINTIFF'S COUNSEL: I object to it as irrelevant and not connected with the plaintiff unless my friend states that by the answer he expects it to be connected with the plaintiff.

DEFENDANT'S COUNSEL: No, whether it is connected or not. Throughout this testimony Mr. Parks has repeatedly testified that Mr. Ten Broeck was the one who acted for them all and that Mr. Ten Broeck was his attorney.

PLAINTIFF'S COUNSEL: That is quite true, but I want to put this upon the ground—that if its object be to impress upon either one of these agreements, any obligations or any importance or effect other than is contained in the agreements themselves, the testimony is irrelevant and inadmissible to vary or affect the rights of the parties as affected by the written agreements.

Objection overruled. Exception by plaintiff's counsel.

A. There was considerable talk about the subject of underwriting at different times between us.

PLAINTIFF'S COUNSEL: This, as I understand it, Judge Gary, was after the agreement with Morgan & Company?

DEFENDANT'S COUNSEL: No, in the conversations which resulted in the agreement with Morgan & Company and the agreement between Gary & Ten Broeck, whether the subject of underwriting and what would have to be raised was discussed.

PLAINTIFF'S COUNSEL: Then you are now speaking of time prior to the agreement, is that it?

THE WITNESS: Yes.

PLAINTIFF'S COUNSEL: I make the same objection.

Objection overruled. Exception.

Q. Will you please state to the Court what was said in regard to that subject?

PLAINTIFF'S COUNSEL: I make the same objection upon each ground.

Objection overruled; exception by plaintiff's counsel.

THE COURT: And to whom?

Q. (Continuing) And confine yourself to what was said to Mr. Ten Broeck or Mr. Parks. A. Of course, it is quite difficult at this late day, to be accurate in saying at all times to whom anything might be said, or who was present. It is true, as Mr. Parks said, that after we were fully embarked

in this enterprise, Mr. Ten Broeck was representing largely the other parties, and there were times when Mr. Parks was not present, but in the early negotiations, while we were attempting to get J. P. Morgan & Company to take up this matter, and while we were attempting to arrange among ourselves, with reference to these profits and with reference to a plan for the acquisition of the property which we sought to obtain, the manner and method of raising money was very fully discussed. If you will let me see the original plan—I don't know whether you have it there or not—(paper handed to witness). There was at that time—perhaps you may not have it—a plan which outlined what companies should be acquired and about how much it would cost to acquire those properties, and then how much money it would be necessary to provide for working capital, etc. The amount of working capital, as I remember now, which we all decided would be necessary, depending largely, I will say, upon Mr. Gates' judgment in regard to that because he was more familiar than anybody else with the business of these companies and the details of the business of the companies, it was determined that $20,000,000 would be necessary. I simply mean to say that in these discussions with Mr. Parks and Mr. Ten Broeck and others, that subject was very fully discussed.

That is the substance of the conversation, that I am testifying to—that is what I mean to say, that it was so stated between Mr. Parks and Mr. Ten Broeck and Mr. Ladd and Mr. Gates and me, that unless we had bankers who would provide that money, it would not be useful to go on with this business; that was the principal and primary thing. There is no question about that of course. When we saw Mr. Coster at the bank of J. P. Morgan & Company, the subject of underwriting was talked about, the question as to how this money should be raised and it was then stated that J. P. Morgan & Company was to endeavor to form a syndicate to raise the $20,000,000, that any of the manufacturers who might sell could be subscribers to that syndicate if they desired, or any outsider might be a subscriber to that syndicate; that any of our parties might be subscribers to that syndicate if we desired, stand-

ing on the same basis exactly as the manufacturers, and that of course had absolutely nothing to do whatever with the agreement between Mr. Ten Broeck and me. That was a proposition that involved a possible profit or a possible loss that nobody could tell anything about.

Mr. Gates and I devoted a very large portion, and perhaps most of our time until nearly the first of the following March, working on this business. We were in New York, with headquarters at the Waldorf-Astoria most of the time. We called together the wire manufacturers whose properties we sought to acquire at different times. We held a great many meetings in New York, some of them covering periods of several days, most of them covering periods of several days, and we secured a great many options as the result of long negotiations concerning prices.

We took up for consideration the options which Mr. Parks and Mr. Ten Broeck brought us, and negotiated with the Cleveland Rolling Mills property for a reduction of their option. We did not know for a long time, because Mr. Parks had an arrangement whereby the Cleveland Rolling Mills option was sealed, and we did not know the price and Mr. Parks did not give it to us, but said it was satisfactory and it would be all right, and that when the proper time came, the envelope would be opened, broken and we could find out what the price was.

I remember very well that on the 17th of February, 1898, I received a letter from Mr. Coster in reference to that matter. That is a true copy of the letter I received from him.

DEFENDANT'S COUNSEL: I offer that in evidence.

PLAINTIFF'S COUNSEL: Objected to on the ground that the declarations of Mr. Coster are irrelevant and inadmissible to bind the plaintiff. I do not take an objection on the ground that it is a copy.

Objection overruled. Exception by Plaintiff's Counsel.

Marked Defendant's Exhibit 17.

It was after the reports had been made by the expert engineers and the expert accountants selected by J. P. Morgan & Company.

By THE COURT:

I showed that letter to Mr. Ten Broeck.

By DEFENDANT'S COUNSEL:

On the 18th of February, 1898, I received a letter from Messrs. J. P. Morgan & Company the original of which is now shown me.

DEFENDANT'S COUNSEL: I offer that letter in evidence.

Received and marked Defendant's Exhibit 18.

I showed that letter of February 18th, 1898, to Mr. Ten Broeck.

Q. And in pursuance of that letter Mr. Ten Broeck made a payment to J. P. Morgan & Company so far as you know? A. I think he paid it to me and I turned it over to them. After a while, it came a little slowly. I think perhaps Mr. Gates and I advanced it. My impression is, I will say that Mr. Parks always paid his proportion promptly, I think so.

I recall the Maine Explosion and its effect upon financial and industrial matters—I remember it—it was discussed by all of us, more or less.

There was something said in those conversations in reference to the effect which it would or might have, upon the pending deal. We were very apprehensive that it would endanger the success of our enterprise.

I, on or about February 25, 1898, received a letter from Mr. Coster enclosing another letter dated February 26th in relation to this business. The letters I now produce are the letters referred to.

Defendant's Counsel offers the second letter of February 26th which has already been marked Defendant's Exhibit 4 for identification, in evidence.

MR. FOX: I understand that your Honor rules that these letters from Mr. C. H. Coster are admissible, and I will simply make the same objection.

Objection overruled. Exception by plaintiff's counsel.

Referring to this letter Defendant's Exhibit 4 for identification, I recall that I showed it to both Mr. Parks and Mr. Ten Broeck.

Letter received, marked in evidence, Defendant's Exhibit 4.

I recall an interview at the Waldorf on that day or the next day or the next day at which the various parties in

interest were congregated—at the first time this letter was read, to any persons other than Mr. Gates and myself and perhaps Mr. Ten Broeck, was at a meeting in our rooms of the Wire Manufacturers, including—without attempting to remember all of them—Colonel Elwood, Colonel Gates, Colonel Lambert, Mr. Frank Backus, Mr. Buffington, Mr. Garvey, Mr. Harry Oliver, Mr. George Oliver; I think Mr. Rice and Mr. Moen; someone, perhaps Mr. Patterson, Jr., there was a Mr. Patterson, Jr., of Newcastle. Mr. Beach was there and Mr. Stewart Chisholm. Mr. Beach was interested with Mr. Chisholm in the Cleveland properties; they were both there, and some others—Mr. Ten Broeck and Mr. Parks were not in the room at that time.

When I say Colonel Gates, I mean the defendant.

At that meeting of the manufacturers, I read the letter of Mr. Coster.

There was something then said in regard to securing from them an extension of a few months as suggested by Mr. Coster. Colonel Lambert, I think, got up and advocated, or first I asked the manufacturers if they would hold this thing as Mr Coster had suggested. Nobody expressed a willingness to do it, and several expressed an unwillingness to do it. Then Colonel Lambert suggested that we endeavor to postpone final action at that time, but we would endeavor to carry it along in some way, that, if possible, some of us get together and consider some new plan or some way of taking advantage of all the work which had been done, and a motion of some kind to that effect was made, a motion that we appoint a committee to further consider the question of some way consolidating some of the companies at least, and I put that to a vote and it was voted down unanimously.

I cannot say that a motion was made, but a request was made to have the existing options extended and Colonel Elwood said for his companies he would not; he was tired of the thing; he would not consent to any extension. Colonel Lambert said for the Consolidated Steel and Wire Company, he would say there would be no further extension certainly, so far as he could control it; and Mr. Buffington of the Anderson Wire Nail Company, said the same. The Olivers, one or both of them, stated that they considered this thing ended

now, and they would not consent to any further extension; they had depended on J. P. Morgan & Company and that ended it as far as they were concerned.

No manufacturer then present, expressed a willingness to extend any existing options.

I remember very distinctly seeing the plaintiff, Parks, that day, Mr. Ten Broeck and Mr. Ladd, and of stating to them what had taken place at the meeting I have just described, I told them that I was very sorry, of course, that the thing had failed, but we had done everything that was possible to make it a success, and that J. P. Morgan & Company having finally decided they would not go on with this, that ended it, and there was nothing further that we could do, and we might just as well give it up. Mr. Gates came out and said to Mr. Parks—I remember it very distinctly—to Mr. Parks and Mr. Ladd, "the jig is up; there is nothing more to do but to go home." I and some of the others went home to Chicago at that time, and I did subsequently have something to do with the organization of the American Steel and Wire Company of Illinois.

On the train—I think Mr. Gates and I left the next morning for Chicago, on the Pennsylvania Limited—on the train with us, or perhaps that is not quite accurate—on the same train were Colonel Elwood and Mr. Frank Backus. It was about February 26th. Of course, I am not certain, Mr. Fox, that this letter of February 26th was received that same day, although I think it was; I think it was sent by messenger. It was about that date or very soon after. Colonel Elwood first suggested that as the plan we had been working on so long had failed, he thought it might be desirable for the Consolodated Steel & Wire to take in his companies which were located at DeKalb, Illinois. Colonel Elwood had two companies, I should think now, from recollection. One of them was called the I. L. Elwood Manufacturing Company, and one the Superior Barbed Wire Company. I went to see Mr. Gates about it on the train and suggested to him that would be a good thing, and he said, so far as he was concerned, he would be willing to do that, perhaps it might be a good thing. He had some talk with Colonel Elwood and told him then that we would take up that question.

As I have already said, there had been previous conversations on the subject, between Colonel Elwood, Colonel Lambert, Mr. Gates and myself, long before, some months before, and Mr. Frank Backus suggested on the same trip, that we take in his company, the Salem Wire Nail Company, and also that we take in the American Wire Nail Company of Anderson, which has made a very good showing, a splendid showing; and also that we take the American Wire Company of Cleveland, on which Mr. Gates had, as I have previously stated, obtained an option; and Mr. Backus went on to Chicago with us, I think. I think we talked it over more or less the next day. I am not quite certain about that. He may have got off at Salem, Ohio. If so, he agreed to come to Chicago very soon afterward and word was communicated to Messrs. Buffington and Garvey to come to Chicago.

As a result of those conferences on the train or at Chicago, early in March, 1898, a plan was prepared and executed by the parties of which a copy is Defendant's Exhibit 10 now shown me. I think that I drafted that plan and it was in pursuance of that plan that the American Steel and Wire Company, the Illinois Corporation, was organized and acquired the properties or stocks of the companies which I have named. That was the published plan. It is provided in that plan, that there should be no commissions or subsidies paid in connection with the organization. There were no commissions or promoters' profits or organization profits or profits of any kind realized by me or Mr. Gates or anybody in connection with the promotion and organization of that company, except such as we might have received as stockholders by the increased value of our securities as stockholders of the Consolidated Steel and Wire Company.

But other than the share which I received of the stock of the new company in exchange for the property that I previously owned I did not nor did Mr. Gates make any profit or secure any advantage whatever in connection with that organization. As to the underwriting heretofore referred to in connection with the organization of the Illinois Company I would say a certain sum of money was provided, some of it I think for working capital, and some of it to buy the American Wire Company of Cleveland. That property, as an illustration,

was purchased for $600,000 of preferred stock, and a bonus, as you called it, of the same amount of common stock. Now it was agreed that a certain extra amount of the capital stock of the Illinois Company should be given to outsiders, who would put up an amount equal to the preferred and the common stock respectively. Mr. Gates, Colonel Lambert, Colonel Elwood and myself, and perhaps one or two others, as I remember, signed a promissory note at the bank to raise some of this money, a certain sum. We agreed, as I remember it, to pay the American Wire Nail people of Anderson, $800,000, $400,000 in cash and $400,000 in stock. We had to raise that cash, and we, as individuals, became responsible for that money and borrowed it at the bank. After that this stock which was provided to raise this money, was sold to outsiders who desired to subscribe for it, who paid in the cash, and thus relieved the individuals who signed this note. There was no profit to us for doing that; we simply took the responsibility because we had to raise the money. We did not get any profit out of it. I mean, to include in that statement the defendant, Mr. Gates. Neither Mr. Gates or I received any profits whatever in or as the result of the organization of the Illinois Company, except as I have already stated, the benefit that accrued to us as stockholders of the Consolidated Steel and Wire Company.

I cannot give the exact date, but my impression is it was in the early part of the summer of 1898 that I met Parks, as I remember, in the news room of the Waldorf-Astoria, and we walked from the news room through the next room—what do you call that, the ladies' writing room or reading room—between the news room and the office. We walked from the News Room into the next room and into the office of the Waldorf-Astoria. That was the place. Mr. Parks and I had only a few words. Mr. Parks said in substance that he thought he should be paid something as the result of the organization of the Illinois Company; that he had done his duty and his part always, and he did not think we should have gone to Chicago and formed the Illinois Company, but thought we should have remained in New York or should have come back in New York and helped him in his efforts to find new financial backing. That is the substance of what he said. I said to Mr.

Parks that he could not regret the result of our efforts in New York any more than I, and I was certainly as much interested in the success of the enterprise as he; that while I was willing to admit that Mr. Parks had done everything he could and as he had agreed to do to bring about success he must admit that I also had done everything I possibly could to make it successful; but when J. P. Morgan & Company declined to go on with the enterprise, that he knew, as well as I, that that ended it, and I did not believe that there was any possible chance of our making it a success after that, and that the whole thing was ended at that time, and I had so considered it and had so treated it. But nevertheless, I told him, if Mr. Gates and I had made any profits, had derived any profits as a result of the Illinois corporation, I certainly would be very glad to share those profits with him, and I thought I could speak for Mr. Gates; that Mr. Gates and I had nothing but feelings of friendship for him and had just as much desire to see him succeed as he could himself; and of course, he expressed reciprocal feelings for us. Our talk at that time, as he will tell you, was very pleasant.

I, at that time, notified him emphatically that there had been no profits in connection with the organization of the Illinois Corporation.

I subsequently, in the summer of 1898, had an interview with Mr. William Nelson Cromwell, as the attorney of Mr. Parks, in relation to this matter. It was in the summer of 1898, I should think, the early summer; it was after I had seen Mr. Parks. Mr. Cromwell had been the attorney for Mr. Parks all through these negotiations; I had seen him several times. Mr. Cromwell, by appointment, I think, came to the office of Mr. Gates and myself, 42 and 44 Wall Street. He said to me he wanted to talk with us about Mr. Parks' matter. He said he understood that I had had some talk with Mr. Ladd and Mr. Ten Broeck on the subject, and he wanted to talk to me in behalf of Mr. Parks. I called Mr. Gates into the room; Mr. Gates' office was adjoining, and I called him into the room, and Mr. Gates said to Mr. Cromwell, "What do you want?" "Well," he said, "I want you to divide with Mr. Parks." "Well," Mr. Gates said, "divide what?" He said, "You know better than I. I don't claim to know, but you

know." "Well," I said, "Mr. Cromwell, do you think that Mr. Gates and I actually received some profits from the Illinois Corporation?" He said, "Yes, I do." I said, "Why do you think that?" "Well, it does not make any difference; I think you did and you know, and I don't know how much it is and you do know, and I just want you to divide up whatever you did get." Mr. Gates said in substance—this is about his language—"Mr. Cromwell, if you will show that we received any profits, I will give you"—a number for one—I don't remember—two or three for one. I did not have anything to do with the organization subsequently of the American Steel and Wire Company of New Jersey or the promotion of that company. I did not receive any profits in connection with the organization or promotion of that company. I was an underwriter. Under the underwriting agreement which has been offered in evidence, I took a quarter of a million dollars. The market value of the securities of the New Jersey Company for several months after the organization of the New Jersey Corporation was up and down—down too much of the time.

The preferred touched about 106 or a trifle better at one time, and the common went a little above 70 at one time.

Mr. Fox: I have no objection to your using any reports of the ordinary kind that you have to refresh your recollection.

I remember that the Stock of the American Steel and Wire Company of Illinois began to be dealt in on the New York Stock Exchange after its listing in July, 1898. (Mr. Guthrie reading.) In July the common stock ranged as follows, from 37 to 43; in August from 32 to 39; in September from 25 to 40; in October, from 27 to 33; in November from 30 to 33; in December from 31 to 50. The preferred stock ranged as follows: In July from 88 to 92; in August, from 85 to 92; in September from 82 to 91; in October from 84 to 89; in November from 86 to 90; in December from 89 to 118.

I remember that subsequently I had some settlement with Mr. Ten Broeck and some of his associates in reference to the expenses or out of pocket disbursements which they had been put to in this original scheme.

I personally made payment to Mr. Ten Broeck of his disbursements in connection with the promotion of the original

deal and took his satisfaction in writing—the paper now shown me is the paper to which I refer—and that paper was the result of a letter from Mr. Ten Broeck, which is now shown me, dated January 30, 1899.

By THE COURT:

Q. You have testified that at a conversation when this letter of Mr. Coster's was read, Mr. Gates said to Mr. Parks and Mr. Ten Broeck, "the jig is up;" what did Mr. Parks say in answer to that? A. Mr. Parks did not say anything just then, but during the day he did, before I left for Chicago, Mr. Parks did say he would like to have me see if I could not get these manufacturers to wait; that he had talked with Stewart Chisholm and Mr. Chisholm would help him; he thought Mr. Chisholm would wait, and he (Parks) would like to have the privilege of seeing some other financial interest here, to see if we could not get up some new arrangement which would be satisfactory.

Q. What did you say to him? A. I said I would be very glad if he could find some people who would furnish the necessary capital; that I would only be too glad to have him do so if he found any such men as that, to let us know who they were and what the people were willing to do and then we would be very glad to take it up and see if we could make a new arrangement which would be satisfactory all around.

CROSS EXAMINATION.

By PLAINTIFF'S COUNSEL:

I received a letter of which Plaintiff's Exhibit D is a copy, and I think Mr. Gates received a letter identical in terms with this about the same time.

Q. You have said that Mr. Parks had an option on the Cleveland Rolling Mills which he said was satisfactory and was in an envelope and would be delivered at the proper time. Do you remember your refusing to show him the original of the agreement between yourself and Mr. Ten Broeck, and to refresh your recollection, Mr. Cromwell coming to see you and you finally acceding to Mr. Cromwell's request to

show Mr. Cromwell the original? A. I remember the circumstance of showing Mr. Cromwell that agreement yes, and Mr. Parks may have asked to see that and I may have declined to show it to him. I will not deny that is so.

Q. Isn't it your best recollection, without throwing any reflection upon yourself, but for reasons satisfactory to yourself, and that you considered good, you did for some time decline to exhibit the original to Mr. Parks, he not being named in the agreement? A. From what——

Q. Can't you answer it simply yes or no; whether that is or is not true? A. No. I cannot. I will give you an answer which I think will be satisfactory to you, and that is this, Mr. Fox; from what took place between Mr. Cromwell and me, I am inclined to think you are right, but to say I remember that, would not be strictly accurate.

Q. And was it not in connection with—— A. It was understood that that contract between Mr. Ten Broeck and me should not be exhibited to anyone, and I am not certain that Mr. Ten Broeck had one of the originals.

Q. Your impression is that he did not? A. Yes, that I alone had it, that is my impression, but I may be mistaken in regard to that.

Q. At the time that Mr. Parks refused or declined to give you or show you the option on the Cleveland Rolling Mills Company, you had not then exhibited to Mr. Parks or to Mr. Cromwell, on his behalf, the original agreement, had you?

A. No, I presume that is so.

Q. You spoke of Mr. Gates having obtained an option either on the American Wire Nail Company or the American Wire Company, I forget which it was? A. The American Wire Company of Cleveland.

Q. The American Wire Company of Cleveland. The option on that Company was an option that ran in favor of yourself and Ten Broeck, I suppose? A. No, I think not.

Q. Well, have you a copy of it here? A. I haven't seen it here; I am inclined to think one was given to Ten Broeck and me later.

And the options which were obtained, by whomsoever obtained, ran in favor, generally, of Ten Broeck and myself—

a great many of the options you will find ran to Mr. Ten Broeck, although I drew them and obtained them, and took them in his name, and he then endorsed them in blank and gave them to me, so that I had possession of them. And though in form different, in substance they ran to me, and Mr. Ten Broeck. I had possession of them until I delivered them to J. P. Morgan & Company, which was very proper. Now, the next question?

Q. Whether they did not in substance all run either to you and Mr. Ten Broeck or run to Ten Broeck and by him made to run to you? A. I think ——you see it is a long time to remember these, Mr. Fox, and I haven't seen them—I think the option from the American Wire Nail Company of Anderson ran to Ten Broeck, and first was deposited with Mr. Parks and perhaps by him to his counsel and his counsel delivered that to me. The option from the Newcastle people came to us through Ten Broeck or through me or some of us from Mr. Pearson direct. Mr. Pearson had an agreement with Newcastle and then he (Pearson) gave his individual agreement or option to us on that property. I cannot give an answer generally. It is not accurate to say that all were given—some were one way and some another. Of course, if you have them here, they will speak for themselves. I think that the Pittsburg Wire Company was given to Mr. Gates; it seems to me so. It seems to me Colonel Elwood's properties were optioned to Mr. Gates and me personally. The H. P. Nail—that we have in evidence. Several of them were taken by Mr. Ten Broeck direct, I am sure, and by him immediately endorsed to me. I am inclined to think the Newburgh was taken by me direct. I wouldn't say there were none others.

No, I don't remember one way or the other.

Q. Judge Gary, you said, if I remember correctly, substantially in your testimony, that you and the defendant for some time prior to 1897, had had in mind the consolidation of some of the wire rod companies of the country, did you not? A. Yes—well—

Q. I mean to say, that was your testimony, substantially, was it not? A. Of course, my testimony speaks for itself.

Q. Well, according to your memory, isn't that your mem-

ory that that is substantially what you testified to in the direct examination? A. Yes, we had in mind—

Q. I will repeat the question; you said, if I remember correctly, substantially in your testimony, that you and the defendant for some time prior to 1897, had had in mind the consolidation of some of the wire rod companies of the country, did you not? A. I don't think I stated it in just that language.

Q. What is your recollection of what you did testify on that subject? A. That we had in mind the question of uniting the business interests of the Consolidated Steel and Wire and the Elwood properties, and also talked of acquiring the properties at Anderson, Indiana, and also some other concerns not in the rod business, but in kindred lines.

Q. Then you do not recollect testifying—I don't desire to imply whether you did or not so testify—that prior to 1897 you and the defendant had had in mind or had talked together of a prospective consolidation of a large number of the wire rod and barbed wire interests of this country? A. Yes, it is accurate to say that we have talked about it, yes.

Q. Did you testify in substance that the formation of the Illinois Steel Company was a considerable step in that direction? A. The consolidated Steel and Wire?

Q. No, I have it the Illinois? A. No, the Consolidated.

Q. Then your testimony was, was it, that the formation of the Consolidated Steel and Wire Company was a considerable step in that direction? A. Yes, sir.

Q. How was it a considerable step in that direction? A. It put together some prominent, well-managed, profitable concerns.

Q. Without whose co-operation, any final union of the large properties in that line of business would be more or less impracticable?

DEFENDANT'S COUNSEL: The Witness did not so testify.

PLAINTIFF'S COUNSEL: I am asking him now.

Q. Is that substantially correct? A. No, I would not say it would be impracticable.

Q. Or difficult? A. I would say that those companies would be useful to any organization.

Q. Well, facilitate the final object, will that do? Make it more easy of accomplishment; tended to remove difficulties; use your own language. Does that about describe the situation, Judge Gary? A. I would say that it is strictly accurate to say the putting together of those concerns would be very useful and beneficial in a plan to put together all of the leading manufacturers.

Q. And was the result of the incorporation of the American Steel and Wire Company of Illinois, or one result of it the consolidation of some of the companies which you have just named, and others? A. Yes.

Q. Do you remember having a conversation with Mr. William Nelson Cromwell and Mr. E. B. Hill in the month of December, 1899, in Mr. Cromwell's room? A. I don't remember that it was in Mr. Cromwell's room. I remember that Mr. Cromwell came to my office two or three times about that time and I think Mr. Hill two or three times, and I remember talking to them very freely. I will not say that I was not at their office.

Q. Well, very frankly, Judge Gary, I hold in my hand what purports to be a paper containing your statement made to Mr. Cromwell and Mr. Hill on the 12th day of December, 1899, and signed by Mr. Cromwell and Mr. Hill with their initials. A. If it is over my signature—

Q. No, I do not claim that. That does not refresh your recollection any as to having had a conversation at which Mr. E. B. Hill and Mr. William Nelson Cromwell were present in Mr. Cromwell's room in December, 1899? A. That does not refresh my recollection as to the place, no. Is it important whether it was in my office or theirs?

Q. Well, only I was trying to help you fix it from memory. A. I remember distinctly their being at my office several times, and I will not say that I was not at their office. If they asked me to come over, quite likely I was there.

Q. At any rate, you will admit, will you not, that in December, 1899, you did make a statement to Mr. Cromwell and Mr. Hill in response to some communication received from them in connection with Mr. Parks' claim against Mr. Gates? A. I will admit that I stated to them—

Q. I don't ask you what you stated now; please answer my question.

(Prior question repeated.) That does not call for what the statement was. A. I did make a statement to them.

Q. And do you remember now going to the office of Sullivan & Cromwell in response to or after receiving a communication from Mr. Cromwell in regard to Mr. Parks' supposed rights against Mr. Gates? A. Yes, I think it was; that is right.

Q. Now you remember stating, do you not, to them upon that occasion, and such was the fact, was it not—

MR. GUTHRIE: I object to the statement, "And such was the fact, was it not?"

A. Let me see the statement, and I will tell you whether it is accurate or not.

Q. You remember stating, do you not, upon that occasion, and such was the fact, was it not, that your only associate under the agreement between yourself and Ten Broeck was the defendant? A. I don't remember, but that is the fact.

Q. Now, do you remember stating upon that occasion that options were acquired on all the manufactories mentioned in the paper signed by J. P. Morgan & Company and by yourself and Mr. Ten Broeck? A. Let me see the agreement with the Morgans. (Paper handed witness.) I presume I did; that is a fact.

Q. And do you remember stating also in substance, as follows: that J. P. Morgan & Company stated that they did not desire to go on at the time to which you have referred in your testimony already, some time in March, I believe—

MR. GUTHRIE: February 26th.

Q. (Continuing.) Some time in February or March, there is no dispute about that: you remember stating that upon that occasion, do you? A. I do not remember it, but I have no doubt I did, because it is a fact.

Q. Do you remember stating as follows— A. (Interrupting.) You must remember, I never knew of any statement being written or taken down, Mr. Fox.

Q. You said that if I would show you— A. If I give you the facts you must not put me in a false position.

Q. Would you like to read the paper? A. Yes, sir, I would.

Q. You are quite at liberty to read it and then I will cross-examine you about it. You shall have every advantage.

(Paper handed to witness.)

THE WITNESS: This is not my statement, Mr. Fox.

Q. Well, I only asked you to read the paper. A. I have read it.

Q. Mr. Cromwell's memory of course, may be different from yours. Do you remember stating upon that occasion in substance, as follows: that the approach of the Spanish war and the consequent derangement of the money market were the reasons, and that the reason assigned by them, that is, Morgan & Company, was that the reports and appraisals did not show as well as had been expected? A. I did not state it in that way.

Q. Did you state anything in substance to that effect? A. Yes, partly so.

Q. You say you did state something? A. Partly so.

Q. Do you remember what you did state on that subject? A. Yes sir.

Q. What do you remember that you stated? A. That undoubtedly J. P. Morgan & Company abandoned this enterprise for two reasons; first, because of the Spanish War which had such a demoralizing and depressing effect upon the markets, and secondly, because of the poor showing of some of the companies, particularly the Washburn and Moen, that I believed the reason assigned by them in the letter was the poor showing made.

Q. Do you remember stating on that occasion as follows: Mr. Gates retained in his possession all the reports of accountants and appraisers? A. No, not as a fact.

Q. Will you deny that you made that statement? A. I will deny that I made the statement that I knew he retained those reports; not that I made a statement on the subject; I do not deny that.

Q. Will you deny that you stated to Mr. Cromwell that Mr. Gates retained in his possession all the reports of accountants and appraisers? A. Yes, sir, in those words.

Q. Will you deny that you said something in substance to

that effect? A. Yes, sir, stated as a fact of my knowledge, Mr. Fox.

Q. Will you deny that you also said immediately after this, that is immediately after J. P. Morgan's declining to go on, that Mr. Gates proposed to yourself and others the combination of four of these concerns, to wit, the Consolidated Steel and Wire Company, the Salem Wire Nail Company, and two others? A. Yes, sir, I did not state it in that way.

Q. Did you state that in substance, Judge Gary? A. I may have stated in substance as a part of a conversation, that at some period of the negotiations, Mr. Gates said he would go on in that way, but I did not state it as an original proposition from Mr. Gates. You see where—I think it is only fair, Mr. Fox, that I should say, that where any one attempts to write up the result of a conversation and gives only a part of that conversation it may be unfair to the one who makes the statement.

Q. You have read, have you not, the four sheets which have just been marked for identification Plaintiff's Exhibit "X"? A. Yes, I read that a moment ago, in court, when you handed it to me.

Q. Do you remember stating upon that occasion, substantially as follows: Immediately after April first, the thing was taken up and the consolidation of these four plants, whose names I have just read to you, was effected? A. I did not state it in that language.

Q. Have you any definite recollection of what you did state on that occasion? A. Yes, I have very.

Q. Do you remember that when I began to cross-examine you, you said you did not even remember whether you went to Mr. Cromwell's room or not? A. Of course, I remember that: that is a fact.

Q. And do you now remember positively whether you went to Mr. Cromwell's room or not? A. I do not.

Q. And yet you think that you have a definite recollection of exactly or substantially what was said upon an interview, the place of which, or as to the place of which you have no memory? A. Why, of course I have.

the scheme to New York, saw Seligman & Company, handed them over to Seligman & Company, and by him and them the deal was finally carried through, resulting in the formation of the American Steel and Wire Company of New Jersey? A. No, of course I did not. I was not with him; I could not say any such thing.

Q. Do you deny that you told Mr. Cromwell anything in substance like that? A. Yes, sir, in substance like that, yes, I do; of course I do.

Q. Do you deny that you told Mr. Cromwell that Mr. Gates took the reports of accountants to New York and saw Seligman and handed them over to Seligman, do you deny that you said that? A. Yes, I deny emphatically that I told him that; I had no knowledge whatever on that subject.

Q. I don't say that; I didn't ask you what your knowledge was, I asked you what you said.

Q. Did you say to Mr. Cromwell that Mr. Gates took the reports of the accountants and appraisers to New York? A. I did not.

Q. Did you say to Mr. Cromwell and Mr. Hill, that Mr. Gates saw Seligman & Company and handed these reports of accountants and appraisers over to them? A. No.

Q. Did you say anything in substance to that effect? A. No. The Court understands why. I did not assume to have any knowledge whatever on that subject, Mr. Fox, and yet, reading that, if I were to answer your question in the affirmative, it would put me in the position of saying that I had knowledge upon that subject, whereas—

Q. I shall feel at liberty to claim, at any rate, that what you knew, you knew from Mr. Gates? A. That is not true; he had no talk with me on the subject.

Q. You had no talk with Mr. Gates on the subject in 1898. You had no talk with Mr. Gates on the subject of his having kept these reports or having seen the Seligmans? A. No, not a word, I never have.

Q. Do you know when he did see Seligman & Company? A. I don't know; I have no knowledge on that subject.

Q. He has never said anything to you on that subject? A. Not one word.

Q. Do you remember stating in substance as follows, that s to Mr. Cromwell and Mr. Hill on this occasion—that Seligman & Company and the defendant, Gates, finally made an arrangement and an allotment of the shares to the underwriters and the shareholders in the concerns to be acquired, which left a residue of $11,000,000 of common stock? A. No.

Q. Do you deny that you said that? A. I do.

Q. Do you remember stating to Mr. Cromwell and Mr. Hill as follows: Of this amount to wit, of $11,000,000 of common stock, Mr. Gates said, meaning he said to you, that Seligman & Company got $8,000,000, and he, the defendant, $3,000,000. Do you remember saying that? A. I did not.

Q. Do you deny that you said to Mr. Cromwell anything on the subject of Mr. Gates statement to you of what he got from Seligman & Company? A. Yes. That does not purport to say that Mr. Gates stated it to me, does it?

Q. Well, I don't want to argue with one who has been a Judge, but I do want your testimony very much. A. I want to be perfectly fair with you, and you are fair with me; that is assumed.

Q. I want to try to get your testimony, if I can use language to convey my meaning. I am asking you whether you did not say, upon the occasion in question, to Mr. Cromwell and Mr. Hill, that Mr. Gates told you the amount that he got from Seligman & Company? A. Why, certainly, I do emphatically. I never had one word of conversation with Mr. Gates on that subject, and I never stated to anyone that I had a word of conversation with Mr. Gates on that subject.

Q. Do you remember that you said in substance that Mr. Gates sold his stock at about 65? Do you remember stating anything upon that subject? A. I did not make that statement nor did I ever have any knowledge on the subject — well, you don't care to have me say what I might have said.

Q. I think that covers the memorandum that I have here. A. I would like before that subject is entirely dropped, to have the privilege of making a full explanation in regard to my interview with Mr. Cromwell, especially if he is to be called.

Q. (Paper handed to witness.) Is the paper which I show you signed by yourself and John W. Gates, and if not, by whom? A. I don't remember anything about that.

Q. Do you know the handwriting, the signature? A. That is not the handwriting of either Mr. Gates or myself. I don't know that; I have no recollection on the subject.

Q. Do you recollect signing any paper of which that is a copy? A. No, I do not.

The paper referred to is marked for identification, Plaintiff's Exhibit O.

Q. Do you remember that the occasion of your going to the office of Sullivan & Cromwell, assuming that you did go there, was in reply to a communication that you possibly might be liable for an accounting on the profits—not with any idea of pressing it now? A. No, because that is not an accurate statement. It was in response to a letter which I have.

Q. Well, whatever you did say to Mr. Cromwell upon that occasion, you intended to be a full and frank statement of the facts as you understood them to be, was it not? A. Why, certainly.

Government Exhibit No. 400
Sheet 2
March 11, 1913

SUMMARY OF UNMINED ORES

New York State Ores			$ 42,500
Michigan Wild Lands			34,290
Standard Bessemer Ore - Lake Superior	442,107,512	$ .69	305,956,743
" Non " " "	423,466,640	.55	233,624,112
Silicious - Non-Washable "	217,359,357	.25	54,517,914
" - Washable	71,681,706	.167	11,922,878
Wisconsin Ores	28,200,000	.05	1,410,000
Total except Great Northern Ores	1,182,815,215	$ .51	$607,508,437
Great Northern Ores			Nothing

MINE PLANTS & EQUIPMENT
Totals for all Mines

Mine Buildings	$ 2,402,027
Hoisting Machinery	1,135,660
Pumping Machinery	821,329
Boiler Plants	764,343
Compressors and Electric Equipment	961,660
Miscellaneous Machinery and Equipment	211,067
Shop Equipment	312,268
Steam Shovels and Standard Gauge Locomotives	2,467,573
Stripping, Work and Business Cars	626,068
Tracks at Mines and Track facilities	692,812
Crusher Plants	245,006
Pipe Lines	386,508
Miscellaneous Underground Equipment	654,144
Dwellings	1,494,973
Miscellaneous, including Logging Equipment and Office Furniture, &c.	342,610
	$ 13,518,048

Government Exhibit No. 400
Sheet 3
March 11, 1913

IRON ORE PROPERTIES -- (Continued)

Location and Description of Principal Units of Property	Real Estate Acreage	Value Per Acre or Unit	f
FINAL SUMMARY --			
Unmined Ore -			
Advanced Royalties -			
Stripping, Development and Shafts - - - - - - - - - - - -			
Mine Plants and Equipment - - - - - - - - - - - - - - - - -			
Timber Property -			

Government Exhibit No. 402
Sheet 1
March 11, 1913

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE A

LOWEST AND HIGHEST PRICES ON SALES OF THE COMMON AND PREFERRED STOCK OF THE FEDERAL STEEL COMPANY, ON THE NEW YORK STOCK EXCHANGE, ON THE FOURTH THURSDAY OF EACH MONTH, JANUARY, 1899 to MARCH, 1901, INCLUSIVE

(Taken from The Commercial and Financial Chronicle)

	Common					Preferred				
	Price		Decimal Equivalent			Price		Decimal Equivalent		
	Low	High	Low	High	Mean	Low	High	Low	High	Mean
1899										
aJan. 26	54 3/8	55 1/4	54.375	55.250	54.813	85 3/4	87 1/2	85.750	87.500	86.625
aFeb. 23	50 5/8	52	50.625	52.000	51.313	87 1/2	88 1/2	87.500	88.500	88.000
aMar. 23	52 3/4	53 5/8	52.750	53.625	53.188	87 1/4	87 3/4	87.250	87.750	87.500
Apr. 27	68	69 1/4	68.000	69.250	68.625	85 3/4	86 3/4	85.750	86.750	86.250
May 25	58	59 1/4	58.000	59.250	58.625	80 1/8	80 7/8	80.125	80.875	80.500
June 22	57 1/8	60 3/8	57.125	60.375	58.750	81 1/2	82 7/8	81.500	82.875	82.188
July 27	57 3/4	58	57.750	58.000	57.875	b79 7/8	80 3/8	79.875	80.375	80.125
Aug. 24	59	59 1/4	59.000	59.250	59.125	81 1/2	81 7/8	81.500	81.875	81.688
Sept.28	52 1/2	53 3/8	52.500	53.375	52.938	78 1/4	78 7/8	78.250	78.875	78.563
Oct. 26	54 1/2	55 1/2	54.500	55.500	55.000	78 3/4	79 3/4	78.750	79.750	79.250
Nov. 23	58 5/8	59 1/2	58.625	59.500	59.063	80 1/4	81	80.250	81.000	80.625
Dec. 28	49 7/8	51 3/4	49.875	51.750	50.813	72	73 1/4	72.000	73.250	72.625
1900										
Jan. 25	51 1/2	52	51.500	52.000	51.750	73 1/2	74	73.500	74.000	73.750
cFeb. 23	52 3/4	54 1/2	52.750	54.500	53.625	74	74 1/2	74.000	74.500	74.250
Mar. 22	51	52 3/4	51.000	52.750	51.875	75 1/4	76 1/4	75.250	76.250	75.750
Apr. 26	42 1/4	43 7/8	42.250	43.875	43.063	71	71 1/8	71.000	71.125	71.063
May 24	33	35	33.000	35.000	34.000	66	66 1/2	66.000	66.500	66.250
June 28	30 1/4	32	30.250	32.000	31.125	61 3/4	63 3/4	61.750	63.750	62.750
July 26	33 3/4	34 1/8	33.750	34.125	33.938	66	66 1/2	66.000	66.500	66.250
Aug. 23	34 1/4	34 1/2	34.250	34.500	34.375	c66 5/8	c66 5/8	66.625	66.625	66.625
Sept.27	31 7/8	32 1/2	31.875	32.500	32.188	62	63	62.000	63.000	62.500
Oct. 25	39	40 1/2	39.000	40.500	39.750	68 1/2	69 1/2	68.500	69.500	69.000
Nov. 22	50 1/2	52 1/4	50.500	52.250	51.375	76	77 1/4	76.000	77.250	76.625
Dec. 27	56 3/4	58	56.750	58.000	57.375	77 1/2	77 7/8	77.500	77.875	77.688
1901										
Jan. 24	47 1/4	49 7/8	47.250	49.875	48.563	69 1/4	70 3/8	69.250	70.375	69.813
Feb. 28	43	45	43.000	45.000	44.000	86 3/4	88	86.750	88.000	87.375
dMar. 28	48 3/4	50 3/4	48.750	50.750	49.750	101 3/4	104 1/4	101.750	104.250	103.000

Government Exhibit No. 402
Sheet 2
March 11, 1913

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE B

LOWEST AND HIGHEST PRICES ON SALES OF THE COMMON AND PREFERRED STOCK OF THE AMERICAN STEEL AND WIRE COMPANY OF NEW JERSEY, ON THE NEW YORK STOCK EXCHANGE, ON THE FOURTH THURSDAY OF EACH MONTH, FEBRUARY (a) 1899 TO MARCH, 1901, INCLUSIVE
(Taken from the Commercial and Financial Chronicle)

Date	Common					Preferred				
	Price		Decimal Equivalent			Price		Decimal Equivalent		
	Low	High	Low	High	Mean	Low	High	Low	High	Mean
1899										
Jan. a										
Feb. 23	52	54-3/8	52.000	54.375	53.188	95-1/2	97	95.500	97.000	96.250
Mar. 23	64	65	64.000	65.000	64.500	103	103-1/2	103.000	103.500	103.250
Apr. 27	67-1/8	68	67.125	68.000	67.563	98-1/4	98-7/8	98.250	98.875	98.563
May 25	60-5/8	61-7/8	60.625	61.875	61.250	95-1/8	96-1/4	95.125	96.250	95.688
June 22	52-3/4	54-1/2	52.750	54.500	53.625	95	96-1/4	95.000	96.250	95.625
July 27	56	56-3/8	56.000	56.375	56.188	96-1/2	96-1/2	96.500	96.500	96.500
Aug. 24	57-1/8	57-1/2	57.125	57.500	57.313	98-1/4	98-1/4	98.250	98.250	98.250
Sept.28	49-1/2	51	49.500	51.000	50.250	b94-3/4	b95-3/4	94.750	95.750	95.250
Oct. 26	49	50-3/8	49.000	50.375	49.688	95	95-1/2	95.000	95.500	95.250
Nov. 23	48-1/8	49-3/8	48.125	49.375	48.750	c95	95-1/4	95.000	95.250	95.125
Dec. 28	45-3/4	47-1/8	45.750	47.125	46.438	89-3/4	90-1/2	89.750	90.500	90.125
1900										
Jan. 25	49	50	49.000	50.000	49.500	90-1/2	90-3/4	90.500	90.750	90.625
Feb. 23d	57-1/2	58-3/4	57.500	58.750	58.125	92-3/4	93-1/2	92.750	93.500	93.125
Mar. 22	55-1/2	56-7/8	55.500	56.875	56.188	c91-1/4	91-1/4	91.250	91.250	91.250
Apr. 26	41-1/8	42-1/4	41.125	42.250	41.688	79	79-3/4	79.000	79.750	79.375
May 24	33-3/4	35	33.750	35.000	34.375	73-1/8	74	73.125	74.000	73.563
June 28	29-3/4	31-1/4	29.750	31.250	30.500	69-1/2	70-5/8	69.500	70.625	70.063
July 26	34-1/2	35-1/4	34.500	35.250	34.875	73-1/2	74-1/4	73.500	74.250	73.875
Aug. 23	35-1/4	35-1/2	35.250	35.500	35.375	c75-1/8	75-1/8	75.125	75.125	75.125
Sept.27	30-1/4	31-3/4	30.250	31.750	31.000	70-3/4	71-1/2	70.750	71.500	71.125
[illegible]. 25	35-1/4	36-1/2	35.250	36.500	35.875	74-3/4	75-7/8	74.750	75.875	75.313
[illegible]. 22	46-3/4	51	46.750	51.000	48.875	88-1/2	89-1/2	88.500	89.500	89.000
[illegible]c. 27	44-1/2	45	44.500	45.000	44.750	87-1/4	87-3/4	87.250	87.750	87.500
1901										

Government Exhibit No. 402
Sheet 3
March 11, 1913

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE C

BID AND ASKED PRICES FOR THE COMMON AND PREFERRED STOCKS OF THE NATIONAL TUBE CO., ON THE NEW YORK CURB MARKET, ON THE FOURTH THURSDAY OF EACH MONTH, SEPTEMBER[a], 1899, TO FEBRUARY, 1900, INCLUSIVE

(Taken from the New York Times. For prices on sales of stock taken from the Commercial and Financial Chronicle, for the period March, 1900, to March, 1901, inclusive, see Table C1.)

Date	Common					Preferred				
	Price		Decimal Equivalent			Price		Decimal Equivalent		
	Bid	Asked	Bid	Asked	Mean	Bid	Asked	Bid	Asked	Mean
1899										
Sept.28	46	46-1/2	46.000	46.500	46.250	[b]98-1/2	99[b]	98.500	99.000	98.750
Oct. 26	46	47	46.000	47.000	46.500	98	99	98.000	99.000	98.500
Nov. 23	45-1/2	47	45.500	47.000	46.250	94-1/2	95-1/2	94.500	95.500	95.000
Dec. 28	41	43	41.000	43.000	42.000	92	94	92.000	94.000	93.000
1900										
Jan. 25	43-1/2	44	43.500	44.000	43.750	91-1/2	93	91.500	93.000	92.250
Feb. 23[c]	53-1/8	53-1/4	53.125	53.250	53.188	93-1/4	93-3/4	93.250	93.750	93.500

[a] The National Tube Co. was incorporated in June, 1899, but there were no regular quotations on the New York Market until September, 1899.
[b] Ex-dividend.
[c] Friday's quotations. No sales Thursday.

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE C1

LOWEST AND HIGHEST PRICES ON SALES OF THE COMMON AND PREFERRED STOCK OF THE NATIONAL TUBE CO., ON THE NEW YORK STOCK EXCHANGE, ON THE FOURTH THURSDAY OF EACH MONTH, MARCH, 1900, TO MARCH, 1901, INCLUSIVE

(Taken from the Commercial and Financial Chronicle. For bid and asked prices taken from the New York Times, for the period September, 1899, to February, 1900, inclusive, See Table C.)

Date	Common					Preferred				
	Price		Decimal Equivalent			Price		Decimal Equivalent		
	Low	High	Low	High	Mean	Low	High	Low	High	Mean
1900										
Mar. 22	51-3/4	52	51.750	52.000	51.875	92	92	92.000	92.000	92.000
Apr. 26	51	51-3/4	51.000	51.750	51.375	90-3/4	90-3/4	90.750	90.750	90.750
May 24	43	45	43.000	45.000	44.000	88	88	88.000	88.000	88.000
June 28	43	43	43.000	43.000	43.000	87-1/2	88	87.500	88.000	87.750
July 26	46	46	46.000	46.000	46.000	90	90	90.000	90.000	90.000

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE D

LOWEST AND HIGHEST PRICES ON SALES OF THE COMMON AND PREFERRED STOCK OF THE NATIONAL TUBE CO., ON THE NEW YORK STOCK EXCHANGE, ON THE FOURTH THURSDAY OF EACH MONTH, MARCH,[a] 1899, TO MARCH, 1901, INCLUSIVE.

(Taken from the Commercial and Financial Chronicle.)

Date	Common					Preferred				
	Price		Decimal Equivalent			Price		Decimal Equivalent		
	Low	High	Low	High	Mean	Low	High	Low	Hign	Mean
1899										
Jan. a										
Feb. a										
Mar. 28b	51	54-3/4	51.000	54.750	52.875	95	95	95.000	95.000	95.000
Apr. 27	59-3/4	62-3/4	59.750	62.750	61.250	91-1/2	92	91.500	92.000	91.750
May 25	46-1/8	48-1/2	46.125	48.500	47.313	85-1/2	87-1/2	85.500	87.500	86.500
June 22	49	50	49.000	50.000	49.500	89	89	89.000	89.000	89.000
July 27	50-1/4	50-1/2	50.250	50.500	50.375	91-3/4	92-1/4	91.750	92.250	92.000
Aug. 24	55-1/2	56-1/4	55.500	56.250	55.875	98	98	98.000	98.000	98.000
Sept.28	51	51-3/4	51.000	51.750	51.375	96	96	96.000	96.000	96.000
Oct. 26	48	48-1/4	48.000	48.250	48.125	94-3/8	94-3/8	94.375	94.375	94.375
Nov. 23	47-1/2	48-1/4	47.500	48.250	47.875	95-1/4	95-1/2	95.250	95.500	95.375
Dec. 28	41-1/2	42-1/2	41.500	42.500	42.000	92	93	92.000	93.000	92.500
1900										
Jan. 25	41	41-3/8	41.000	41.375	41.188	93	93	93.000	93.000	93.000
Feb. 23	c46-1/2	c49	46.500	49.000	47.750	c96-1/2	c96-1/2	96.500	96.500	96.500
Mar. 22	43-1/8	44-1/4	43.125	44.250	43.688	96-1/4	96-1/4	96.250	96.250	96.250
Apr. 26	36	36	36.000	36.000	36.000	c90	c90-1/4	90.000	90.250	90.125
May 24	28-1/2	30-1/8	28.500	30.125	29.313	87	87	87.000	87.000	87.000
June 28	22-3/4	24	22.750	24.000	23.375	82	82	82.000	82.000	82.000
July 26	24-3/4	25	24.750	25.000	24.875	84	85	84.000	85.000	84.500
Aug. 24	c25	c25-3/4	25.000	25.750	25.375	c84-3/4	c84-3/4	84.750	84.750	84.750
Sept.27	24-5/8	24-3/4	24.625	24.750	24.688	83	83	83.000	83.000	83.000
Oct. 25	30	30-3/4	30.000	30.750	30.375	87-5/8	87-7/8	87.625	87.875	87.750
Nov. 22	37-1/8	38-1/4	37.125	38.250	37.688	92-1/2	93	92.500	93.000	92.750
Dec. 27	41-1/2	42-1/2	41.500	42.500	42.000	91-1/2	92	91.500	92.000	91.750
1901										
Jan. 24	39	40-1/8	39.000	40.125	39.563	91	91	91.000	91.000	91.000
Feb. 28	44-1/2	45-1/2	44.500	45.500	45.000	100	101-1/4	100.000	101.250	100.625
Mar. 28d	53	54-3/4	53.000	54.750	53.875	115	116	115.000	116.000	115.500
[illegible] 1899					50.66					93.05

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE E

LOWEST AND HIGHEST PRICES ON SALES OF THE COMMON AND PREFERRED STOCK OF THE AMERICAN TIN PLATE CO., ON THE NEW YORK STOCK EXCHANGE, ON THE FOURTH THURSDAY OF EACH MONTH, FEBRUARY,[a] 1899, TO MARCH, 1901, INCLUSIVE.

(Taken from the Commercial and Financial Chronicle.)

Date	Common					Preferred				
	Price		Decimal Equivalent			Price		Decimal Equivalent		
	Low	High	Low	High	Mean	Low	High	Low	High	Mean
1899										
Jan. [a]										
Feb. 23	39-1/4	40	39.250	40.000	39.625	b93	b93-1/2	93.000	93.500	93.250
Mar. 23	41-1/4	41-3/4	41.250	41.750	41.500	c94-1/2	95-1/2	94.500	95.500	95.000
Apr. 27	47	48	47.000	48.000	47.500	92	92	92.000	92.000	92.000
May 25	33-1/2	35-1/2	33.500	35.500	34.500	82-7/8	84	82.875	84.000	83.438
June 22	34-5/8	35-1/4	34.625	35.250	34.938	85	85	85.000	85.000	85.000
July 27	37-7/8	38	37.875	38.000	37.938	cd85-3/4	d85-3/4	85.750	85.750	85.750
Aug. 24	42-3/8	42-7/8	42.375	42.875	42.625	b90-1/4	b90-1/2	90.250	90.500	90.375
Sept.28	38	38-1/2	38.000	38.500	38.250	ce85-3/4	e85-3/4	85.750	85.750	85.750
Oct. 26	34-1/2	36	34.500	36.000	35.250	83	83-1/4	83.000	83.250	83.125
Nov. 23	34-1/4	34-3/8	34.250	34.375	34.313	c84	84	84.000	84.000	84.000
Dec. 28	26-7/8	27-1/2	26.875	27.500	27.188	79	80	79.000	80.000	79.500
1900										
Jan. 25	29	29	29.000	29.000	29.000	81-1/2	81-1/2	81.500	81.500	81.500
Feb. 23	b31-5/8	b33-3/4	31.625	33.750	32.688	b81	b82	81.000	82.000	81.500
Mar. 22	32-3/4	33	32.750	33.000	32.875	e82	e82	82.000	82.000	82.000
Apr. 26	28	28	28.000	28.000	28.000	79-1/2	80	79.500	80.000	79.750
May 24	22-3/4	22-3/4	22.750	22.750	22.750	75	75	75.000	75.000	75.000
June 28	19	19-1/4	19.000	19.250	19.125	b73	b73-3/8	73.000	73.375	73.188
July 26	21-1/2	23	21.500	23.000	22.250	79	79	79.000	79.000	79.000
Aug. 23	25-3/4	25-3/4	25.750	25.750	25.750	78	78	78.000	78.000	78.000
Sept.27	26	26-1/2	26.000	26.500	26.250	78	79	78.000	79.000	78.500
Oct. 25	34-1/2	35	34.500	35.000	34.750	82-1/2	82-1/2	82.500	82.500	82.500
Nov. 22	43	44-3/8	43.000	44.375	43.688	88	88-1/2	88.000	88.500	88.250
Dec. 27	56-3/8	57-1/8	56.375	57.125	56.750	90-1/2	92	90.500	92.000	91.250
1901										
Jan. 24	59	60-1/4	59.000	60.250	59.625	87-3/4	88	87.750	88.000	87.875
Feb. 28	61	63-1/2	61.000	63.500	62.250	99	100-3/4	99.000	100.750	99.875
Mar. 28f	71	73-1/2	71.000	73.500	72.250	116-1/4	117-1/2	116.250	117.500	116.875
Average price 1899					37.60	.....				87.02
" " 1900					31.16	.....				80.87

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE F

LOWEST AND HIGHEST PRICES ON SALES OF THE COMMON AND PREFERRED STOCK OF THE AMERICAN STEEL HOOP COMPANY, ON THE NEW YORK STOCK EXCHANGE, ON THE FOURTH THURSDAY OF EACH MONTH, APRIL,[a] 1899, TO MARCH, 1901, INCLUSIVE.

(Taken from The Commercial and Financial Chronicle.)

Date	Common					Preferred				
	Price		Decimal Equivalent			Price		Decimal Equivalent		
	Low	High	Low	High	Mean	Low	High	Low	High	Mean
1899										
Jan. a										
Feb. a										
Mar. a										
Apr. 27	39-1/2	40-7/8	39.500	40.875	40.188	80	82-1/2	80.000	82.500	81.250
May 25	26-1/4	27	26.250	27.000	26.625	72	72	72.000	72.000	72.000
June 22	28-3/4	29	28.750	29.000	28.875	76	76	76.000	76.000	76.000
July 27	31-1/2	32-1/8	31.500	32.125	31.813	77-1/2	77-1/2	77.500	77.500	77.500
Aug. 24	38-1/8	38-1/2	38.125	38.500	38.313	b83-1/2	b83-3/4	83.500	83.750	83.625
Sept.28	42-1/2	43-7/8	42.500	43.875	43.188	84-1/4	85	84.250	85.000	84.625
Oct. 26	43	43-1/2	43.000	43.500	43.250	b82-1/2	b83	82.500	83.000	82.750
Nov. 23	45	45-3/4	45.000	45.750	45.375	82-3/4	83	82.750	83.000	82.875
Dec. 28	40-1/2	41-1/2	40.500	41.500	41.000	80	80	80.000	80.000	80.000
1900										
Jan. 25	42	42	42.000	42.000	42.000	81	81-1/8	81.000	81.125	81.063
Feb. 23	b43-1/2	b46	43.500	46.000	44.750	b83	b84-1/4	83.000	84.250	83.625
Mar. 22	34	35-1/2	34.000	35.500	34.750	80	80	80.000	80.000	80.000
Apr. 26	27	27-1/4	27.000	27.250	27.125	75-1/8	75-1/2	75.125	75.500	75.313
May 24	20-1/4	21-1/4	20.250	21.250	20.750	69-1/2	69-1/2	69.500	69.500	69.500
June 28	18	19-1/2	18.000	19.500	18.750	66	66-1/2	66.000	66.500	66.250
July 26	20-3/4	20-3/4	20.750	20.750	20.750	b67	b67	67.000	67.000	67.000
Aug. 23	19	19-1/4	19.000	19.250	19.125	66	66	66.000	66.000	66.000
Sept.27	18	18-3/8	18.000	18.375	18.188	65	65	65.000	65.000	65.000
Oct. 25	23-5/8	24-1/2	23.625	24.500	24.063	72-1/2	75-5/8	72.500	75.625	74.063
Nov. 22	30-1/2	31	30.500	31.000	30.750	b77	b77	77.000	77.000	77.000
Dec. 27	31-3/4	32-1/2	31.750	32.500	32.125	77-1/2	78	77.500	78.000	77.750
1901										
Jan. 24	26-1/4	27-3/8	26.250	27.375	26.813	c74	74	74.000	74.000	74.000
Feb. 28	34-1/8	36-1/4	34.125	36.250	35.188	80-1/2	81-1/2	80.500	81.500	81.000
Mar. 28d	42	44-1/4	42.000	44.250	43.125	93	94-3/4	93.000	94.750	93.875
					32.63	.....				80.07

Government Exhibit No. 402
Sheet 8
March 11, 1913

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE G

BID AND ASKED PRICES FOR THE COMMON AND PREFERRED STOCKS OF THE AMERICAN BRIDGE CO., ON THE NEW YORK CURB MARKET, ON THE FOURTH THURSDAY OF EACH MONTH, NOVEMBER,[a] 1900, TO MARCH, 1901, INCLUSIVE.

(Taken from the New York Times)

Date	Common					Preferred				
	Price		Decimal Equivalent			Price		Decimal Equivalent		
	Bid	Asked	Bid	Asked	Mean	Bid	Asked	Bid	Asked	Mean
1900										
Nov. 22	43-1/4	43-3/8	43.250	43.375	43.313	92	92-1/2	92.000	92.500	92.250
Dec. 27	45-1/4	45-1/2	45.250	45.500	45.375	95	95-1/2	95.000	95.500	95.250
1901										
Jan. 24	42	42-1/2	42.000	42.500	42.250	91	91-1/4	91.000	91.250	91.125
Feb. 28	42	42-1/2	42.000	42.500	42.250	91	91-1/4	91.000	91.250	91.125
Mar. 28	46-1/4	46-3/8	46.250	46.375	46.313	103	104	103.000	104.000	103.500
1900 (Nov.-Dec.)					44.34					93.75
1901 (Jan.-Mar.)					43.60					95.25
1900-1901					43.90					94.65

[a] No quctations available prior to November, 1900.

Tables Used as the Basis of the Average Market Prices of Stock in Table KK

TABLE H

PRICES ON SALES OF THE COMMON AND PREFERRED STOCK OF THE SHELBY STEEL TUBE CO., ON THE CHICAGO STOCK EXCHANGE, ON THE SPECIFIED DATES,[a] FEBRUARY,[b] 1900 TO MARCH, 1901, INCLUSIVE

(Taken from The Economist, Chicago)

Date	Common		Preferred	
	Price	Decimal Equivalent	Price	Decimal Equivalent
1900				
February 23 c....	17	17.000	76	76.000
March 23 c.....	17	17.000	69	69.000
April 27 c.....	d 12	12.000	--	--
May 22 e.....	12	12.000	--	--
June.....	--	--	--	--
July.....	f 12-1/2	12.500	d 60 g	60.000
August 24 c.....	--	--	60	60.000
September.....	-	--	--	--
October 25.....	8-1/2	8.500	52	52.000
November.....	dh 5	5.000	i 38-1/2j	38.500
December	jk 7-1/2	7.500	i 40-1/8l	40.125
1901				
January 24.....	--	--	42	42.000
February 28.....	--	--	50	50.000
March 30 m.....	--	--	j 46-1/2	46.500
Average price, 1900.....		11.44	.....	56.52
" " 1901 (Jan.-Mar.).		--	.....	46.17
" " 1900-1901.....		11.44	.....	53.41

a So far as possible prices for the fourth Thursday of the month have been taken. For several months no price was available on this date.
b The company was incorporated in February, 1900.
c Friday's price.
d Less than 50 shares.
e Tuesday's price.
f Price for Friday, July 27.
g Price for Tuesday, July 24.
h Price for Saturday, November 24.
i Price for Friday, November 23.
j Average price for the day.
k Price for Saturday, December 29.
l Price for Friday, December 28.
m Saturday's price.

Government Exhibit No. 403.

(March 14, 1913.)

TUBE CO.
BANKERS'
CONTRACT

THIS AGREEMENT, Made this 24th day of February, 1899, by and between WM. NELSON CROMWELL and EDMUND C. CONVERSE, jointly (hereinafter called the "Consolidation Purchasers"), parties of the first part, and MESSRS. J. P. MORGAN & COMPANY (hereinafter called the "Bankers"), parties of the second part,

WITNESSETH:

WHEREAS, The United States Tube Company (herein called the "Tube Company", the name of the corporation being subject to change) is a corporation duly organized and existing under the laws of the State of New Jersey, for the purpose, among other things, of engaging in the business of manufacturing, buying, selling or dealing in all tubular and other products of iron, steel and other metals; fittings, tools, supplies, machinery, apparatus, and projectiles and all materials of war; and of acquiring the capital stock of, or interests in, corporations or firms owning any of the same; as fully set forth in the Articles of Incorporation of said Tube Company, to which reference is made as a part hereof;

AND WHEREAS, The authorized capital stock

of said Tube Company is to be.....		$75,000,000
to be divided into:		
Seven Per Cent. Cumulative Preferred Stock..		40,000,000
Of which Preferred Stock there may be sold for additional working capital and other corporate purposes	$5,000,000	
And Common Stock.....		35,000,000

It being understood and agreed that the capitalization may be increased or diminished, as may be agreed upon between the parties hereto in the consummation of the plans of the Consolidation Purchasers;

AND WHEREAS, The said Tube Company, for the purposes of its business, on the day of February, 1899, entered into a certain contract with the Consolidation Purchasers for the purchase and acquisition of divers properties, capital stocks and other interests and for the furnishing of certain working capital, as in said contract fully set forth, and upon the terms therein stated—to which contract reference hereby is made;

AND WHEREAS, The Consolidation Purchasers, in consummation of said contract of February, , 1899, already have obtained divers contracts with the owners of such properties, capital stocks and other interests, and intend to enter into other contracts in form whereunder they shall have the right to purchase such properties, capital stocks or other interests;

AND, WHEREAS, The Consolidation Purchasers desire, and have requested, the assistance and cooperation of the Bankers for the purpose of providing the funds to the extent which is deemed necessary for the acquisition of such properties and for the furnishing of working capital, but only to the limit hereinafter provided;

NOW, THEREFORE, In consideration of the premises, and of the mutual promises hereinafter contained, and the expected performance thereof, the parties hereto promise and agree to and with each other as follows, to wit:

Article I. The Consolidation Purchasers, with all reasonable diligence, will use their best endeavors to obtain sufficient and valid contracts between themselves and the Vendors, whereunder the Consolidation Purchasers, and their heirs, executors, administrators, survivors and assigns, shall have the right at any time within ninety days after the appraisement therein provided for shall have been completed, to purchase such of the properties, capital stocks and other interests set forth in said contract between the Tube Company and the Consolidation Purchasers as the Bankers may approve, in writing, and also such other properties or shares of capital stock or other interests as may be agreed upon in writing between the parties hereto, with such exceptions and in such condition as to lien or indebtedness as, in like manner, from

time to time, may be agreed upon in writing between the parties hereto.

Article II. When the Consolidation Purchasers shall have obtained such contracts with the Vendors, to such extent as may be approved in writing by the Bankers, they will cause to be made, by experts and accountants approved by the Bankers, the appraisements in said contracts with the Vendors provided; and if, as the result thereof and of subsequent negotiation by the Consolidation Purchasers, prices therefor shall be established to the satisfaction and approval of the Bankers, then the Consolidation Purchasers shall exercise the election and the right conferred upon them by such contracts with the Vendors, and shall cause the properties and shares of capital stock and other interests covered thereby to be conveyed to said Tube Company, upon receiving from the Tube Company payment of the agreed consideration therefor, and upon and in connection with the consummation of this Agreement.

Article III. Should contracts with the Vendors, as above proposed, be obtained within sixty days from the date hereof, to an extent and of a character approved by the Bankers, then and in such event (without incurring any liability in case of non-success) the Bankers, with all reasonable diligence, will endeavor to form a Syndicate to carry out the financial arrangements by them and the Consolidation Purchasers deemed necessary or expedient to consummate this Agreement; such financial arrangements being set forth in a suitable contract between the parties hereto executed simultaneously herewith.

Article IV. The expenses of the organization of the Tube Company shall be borne by the Consolidation Purchasers. The expenses of the organization and conduct of the Syndicate shall be borne by the Bankers. The expense of all examinations and legal and other expenses connected with the purposes hereof shall be borne equally by the Consolidation Purchasers and by the Bankers. But without the approval of the other party, neither party shall incur any expense chargeable against such other party. In case of the consummation of this undertaking it shall, however, be arranged that

the Tube Company shall bear and pay the incorporation and franchise fees upon its capitalization.

Before proceeding to consummate this contract, the Bankers may satisfy themselves fully as to the propriety of their proceeding from the examination of accounts or properties and otherwise by experts and accountants as hereinbefore provided, and also at all times by the examination and decision of their own counsel, Mr. Francis Lynde Stetson, or his appointee. The expenses of such examination and report as to the properties and the legalities involved in the transaction are hereby expressly sanctioned and shall be equally divided between the Bankers and the Consolidation Purchasers. If the Vendors shall fail promptly to furnish to such experts and accountants, as shall be approved by the Bankers, the necessary statements and data, or shall fail to permit such counsel, experts and accountants to make such examination of the properties, books, records, etc., as in said contracts provided; or if, in any particular, the result of any such examination or investigation shall not be satisfactory to the Bankers, or if, in their opinion, market conditions are not right, or other objections then exist, then and in any such event, they shall be under no obligation, either moral or legal, to endeavor to form such syndicate or to proceed further in the transaction under this Agreement. They shall not in any contingency be liable to the Vendors, or to the Tube Company, or to the Consolidation Purchasers, or to any other person or persons for the direct or indirect effects of any such investigation, examination, appraisement, discontinuance or otherwise, and upon notice to the Consolidation Purchasers, this Agreement shall thereupon terminate. All such outlays and expenses, however, shall be reimbursed to, and paid to, the parties hereto out of the funds provided for by Article III in the event that this Agreement be consummated.

Article V. This Agreement shall bind and shall benefit the parties hereto and their survivors, successors and assigns, severally and respectively.

This Agreement and the certain other Agreement this day made between the parties hereto, shall be construed together and shall constitute a single agreement.

IN WITNESS WHEREOF, The parties hereto have hereunto set their hands and seals the day and year first above written.

(Sgd) WM. NELSON CROMWELL.
(Sgd) E. C. CONVERSE
(Sgd) J. P. MORGAN & CO.

Government Exhibit No. 404.

(March 14, 1913.)

TUBE CO.
FINANCIAL CONTRACT

THIS AGREEMENT, made this 24th day of February, 1899, by and between WM. NELSON CROMWELL and EDMUND C. CONVERSE, jointly (hereinafter called the "Consolidation Purchasers"), parties of the first part; and MESSRS. J. P. MORGAN & COMPANY (hereinafter called the "Bankers"), parties of the second part, WITNESSETH:

WHEREAS, the parties hereto have this day entered into a certain agreement, in connection herewith, whereunder it is provided that in the events therein stated, the Bankers, with all reasonable diligence, will endeavor to form a Syndicate to carry out the financial arrangements by them and by the Consolidation Purchasers deemed necessary or expedient to consummate said Agreement:

NOW, THEREFORE, for the purpose of determining the basis of such Syndicate, and also for the purpose of adjusting between the parties hereto the compensation of said Bankers, it is mutually agreed as follows:—

I. The Syndicate Agreement upon which such Syndicate will be based shall provide that the Syndicate will purchase and take from the Consolidation Purchasers, through the Bankers:

Preferred Stock of the Tube Company of the par value of $1,000; and also Common Stock of said Company of the par value of $500 (making an aggregate par value of $1500 in such stock), for each $1,000 in money which the Syndicate may by the Consolidation Purchasers be called upon to fur-

nish (1) to enable the latter to meet the cash requirements of their contracts with the Vendors; (2) to pay the expenses which may be incurred under and according to the terms of the two agreements of this date between the parties hereto; and (3) to raise cash capital for the New Company, if necessary.

II. The Syndicate shall be based on a provision of $10,000,000 in money, and in no event shall the total liability of the Syndicate exceed $10,000,000 in money. If, by agreement of the parties hereto it shall be found desirable and mutually advantageous to increase the Syndicate provision to $15,000,000 in money to carry out the provisions of Division I hereof, such increase shall be on the same basis, i.e., $1,000, Preferred Stock and $500 Common Stock for $1,000 in money.

III. The Consolidation Purchasers shall also pay the said Bankers an amount of such Common Stock, at par, equal to thirty-five per centum upon the money basis of the Syndicate, which Syndicate shall not, however, exceed $10,000,000 except as aforesaid.

Out of the Common Stock paid under this Division III said Bankers may make to the Syndicate any and all allowances which they may deem proper to make, but the Consolidation Purchasers shall not be liable to the Syndicate except under Divisions I and II.

IV. Of the balance of the $35,000,000 par value Common Stock, or such other amount as actually may be issued to the Consolidation Purchasers, that shall remain after providing for the foregoing and for the payments in Common Stock to the Vendors in accordance with such contracts, fifty per centum shall be paid by the Consolidation Purchasers to the Bankers in full compensation for their services under these two agreements of this date between the parties hereto; this payment being in addition to the payment to the Bankers under Division III hereof. The remaining fifty per centum shall be retained by and belong to the Consolidation Purchasers, or may be disposed of by them in any way they see fit without any accountability to the Bankers.

This Agreement shall equally apply to the securities of any other Corporation which by agreement of the parties hereto may be substituted for said Tube Company.

In witness whereof the parties hereto have hereunto set their hands and seals the day and year first above written.

(Sgd) Wm. Nelson Cromwell
(Sgd) E. C. Converse
(Sgd) J. P. Morgan & Co.

Government Exhibit No. 405.

(March 14, 1913.)

Agreement, Made this 23rd day of September, 1897, by and between

Elbert H. Gary and Gerrit H. Ten Broek, representing themselves and their associates (hereinafter called the "Purchasers"), parties of the first part,

and J. P. Morgan & Co. (hereinafter called the "Bankers"), parties of the second part:

Whereas, The Purchasers propose to acquire (except as hereinafter stated) the property, real and personal, of at least the following companies or corporations engaged in the manufacture of wire and wire products, to wit:

Consolidated Steel and Wire Company
Washburn & Moen Manufacturing Company
Cleveland Rolling Mill Company
Newcastle Wire Nail Company
Oliver Wire Company
American Wire Company
Pgh. Wire Company
H. P. Nail Company
American Wire Nail Company
Salem Wire Nail Company
Superior Barb Wire Company
Ellwood Wire & Nail Company
Continental Wire Company
Kilmer Manufacturing Company

and upon the acquisition thereof to transfer all such property

free of all liens, indebtedness or expense, to a sufficient and competent corporation, now existing, or to be organized to the satisfaction and with the approval of the parties hereto (hereinafter called the "Proposed Corporation"), with a capital stock of $75,000,000, divided into 750,000 shares of $100 each, of which 300,000 shares shall be seven per cent cumulative preferred stock, and 450,000 shares shall be common stock; and

WHEREAS, The Purchasers intend to obtain and to enter into conditional contracts for the transfer to them, or to their representatives, acceptable to the Bankers, of the several properties above mentioned, and of such other properties of like character as may be agreed upon; and

WHEREAS, The Purchasers and their associates desire, and have requested, the assistance and co-operation of the Bankers in the formation of a Syndicate for the purpose of providing the funds necessary for the acquisition of such properties; and, in case of such acquisition, to make an issue of the securities of the Proposed Corporation, and also to supply the Proposed Corporation with working capital.

NOW, THEREFORE, In consideration of the premises, and of the mutual promises hereinafter contained, and the expected performance thereof, the parties hereto promise and agree as follows, to wit:

FIRST. The Purchasers, with all reasonable diligence, will use their best endeavors to obtain, within ninety days from the date hereof, sufficient and valid conditional contracts (in form to be approved by the parties hereto) for the transfer to the Purchasers and to their successors, survivors and assigns of all of the property, real and personal, of the several corporations above named, free from liens or indebtedness, and of such other corporations as may be agreed upon in writing, with such exceptions as to the property or portions of the property of such corporations as from time to time may, in like manner, be agreed upon by the parties hereto.

SECOND. Upon obtaining such conditional contracts, the Purchasers, as and when requested in writing, will transfer the same in such manner and at such time as may be ap-

proved by the parties hereto, so that, in pursuance thereof, all of the properties covered by all such contracts shall be legally transferred to and vested in such Proposed Corporation in consideration of the issue and transfer of its total capital stock of $75,000,000 to be divided into preferred and common stock as above set forth, and such transfer of such properties to such Proposed Corporation shall be in full payment for, and in consideration of, the issue of such $75,000,000 of stock, so that the same shall be full-paid and non-assessable.

THIRD. Should such conditional contracts, as above proposed, be obtained within ninety days from the date hereof, and should such proposed corporation be organized, or any existing corporation be modified so as to enable the same within six months thereafter to carry out the corporate purposes above indicated, then and in such event the Bankers with all reasonable diligence will use their best endeavors to form a Syndicate to provide $20,000,000 in money to meet the contemplated money requirements of this agreement upon the following conditions:

(a) There shall be delivered to the Vendors, as part of the purchase price, $10,000,000 Preferred Stock and $10,000,000 Common Stock.

(b) There shall be retained by the Purchasers $15,000,000 Common Stock, out of which (upon organization of the Proposed Corporation and the transfer of property thereto) they shall deliver to the Bankers $7,500,000 Common Stock as compensation for their services in connection with this agreement and the performance thereof.

(c) There will be delivered to the Syndicate $20,000,000 Preferred Stock and $20,000,000 Common Stock; of which, $20,000,000 Preferred Stock and $10,000,000 Common Stock shall be offered by the Syndicate for public subscription; $5,000,000 Common Stock shall be retained as compensation by the Syndicate, and $5,000,000 Common Stock shall be paid by the Syndicate to J. P. Morgan & Co. as their compensation for managing the Syndicate.

(d) The Vendors shall agree to hold the $10,000,000 Preferred Stock and $10,000,000 Common Stock accruing to them under subdivision "(a)" of this Article for one year after its receipt, or for such lesser period as may elapse be-

fore the Syndicate shall have sold the $20,000,000 Preferred Stock and $10,000,000 Common Stock, which is provided to be offered for public subscription. The Bankers may require that such stock of the Vendors be deposited with some Trust Company, and suitable receipts issued, to insure the performance of this Article.

FOURTH: Of the $20,000,000 of money so provided by the Syndicate, so much thereof as shall be necessary, and approximately $11,000,000, shall be applied and devoted towards the acquisition of the properties above proposed and to the expenses of this agreement and of the proceedings thereunder; and the remainder thereof, approximately $9,000,000, shall be paid into the Treasury of the Proposed Corporation as working capital.

FIFTH. The expenses of the organization of the proposed Corporation shall be borne by the Purchasers, and the expenses of the organization and conduct of the Syndicate shall be borne by the Bankers, and the expenses of all examinations and legal and other expenses connected with the purposes hereof shall be borne equally by the Purchasers and by the Bankers; but without the approval of the other party neither shall incur any expense chargeable against such other party.

Before proceeding under this contract the Bankers may satisfy themselves fully as to the propriety of their proceeding by full examination of accounts or properties and otherwise by experts of their own selection, and also at all times by the examination and decision of their counsel; the expenses of such examination and investigation and report as to the properties and the legalities involved in the transaction are hereby expressly sanctioned and shall be equally divided between the Bankers and the Purchasers. If in any particular the result of any such examination or investigation shall not be satisfactory to the Bankers, they shall be under no obligation, either moral or legal, to proceed further in the transaction or under this agreement. Neither shall the Bankers be under any such obligation to proceed unless a contract in form satisfactory to them shall be made by and between the Illinois Steel Company and the Proposed Corporation to insure mutual harmony of operations.

SIXTH. This agreement shall bind and benefit the parties hereto and their survivors, successors and assigns severally and respectively.

IN WITNESS WHEREOF, The parties hereto have hereunto set their hands and seals the day and year first above written. In presence of:

FRANCIS LYNDE STETSON

ELBERT H. GARY (L. S.)
GERRIT H. TEN BROEK (L. S.)
J. P. MORGAN & CO. (L. S.)

Government Exhibit No. 406.

(March 14, 1913.)

Federal Syndicate.

FEDERAL STEEL COMPANY

SYNDICATE AGREEMENT.

AGREEMENT, dated the seventh day of September, 1898, by and between J. P. Morgan & Co., of the City of New York (hereinafter called the "Syndicate Managers"), parties of the first part, and the SUBSCRIBERS hereto, severally (hereinafter called the "Subscribers" or "Syndicate"), parties of the second part;

WHEREAS, a corporation to be known as "Federal Steel Co." has been, or is about to be, organized under the laws of the State of New Jersey, with a capital stock of $200,000,000 —viz., $100,000,000 of preferred six per cent. non-cumulative stock and $100,000,000 of common stock—and such company (hereinafter called the "New Company") desires to acquire, as hereinafter provided, properties, rights, privileges and franchises or stocks of various of the Illinois Steel Co., the Minnesota Iron Co., and of the Elgin, Joliet and Eastern

Railway Co. and otherwise as provided in the contract next hereinafter referred to.

AND, WHEREAS, J. P. Morgan & Co., acting in behalf of a Syndicate, are about to enter into a contract with said Federal Steel Co., substantially in the form of the copy hereto annexed, and made a part hereof, and marked "Exhibit A";

AND, WHEREAS, the parties of the first and second parts hereto desire, for the expected benefits therefrom, to form a Syndicate to provide $14,075,000 in money to carry out said contract and for the other objects herein provided;

NOW, THEREFORE, in consideration of the premises, and to promote the accomplishment of the purposes therein and herein declared, and in further consideration of the mutual promises herein contained, the Syndicate Managers and the Syndicate have mutually agreed as follows:

FIRST. The Managers in behalf of the Subscribers may offer, or in any way cause to be offered, to any or all stockholders of the Illinois Steel Co. (hereinafter called the "Illinois Co."), the Minnesota Iron Co. (hereinafter called the "Minnesota Co."), and the Elgin, Joliet and Eastern Railway Co. (hereinafter called the "Elgin Co."), an opportunity to acquire stock of the New Company in exchange for their existing shares on the basis set forth in Exhibit A, i. e.:

Each present share of Minnesota Co. (upon its delivery and on payment by it of $27.10 in cash) to receive 135½ per cent. in preferred stock of New Company, and 108 4/10 per cent. in common stock of New Company.

Each present share of Illinois Co. (upon its delivery and on payment by it of $20 in cash) to receive 100 per cent. in preferred stock of New Company, and 80 per cent. in common stock of New Company.

Each present share of Elgin Co. (upon its delivery and on payment by it of $17.50 in cash) to receive 87½ per cent. in preferred stock of New Company, and 70 per cent. in common stock of New Company.

The period for the acceptance of such offer, and for payments thereunder, and any extension of either or both, in particular instances or otherwise, to be entirely discretion-

ary with the Syndicate Managers. The Syndicate Managers may do all things expedient or necessary to give effect to any such offer.

SECOND. The Subscribers agree ratably to take 46,250 shares of the preferred stock and 440,190 shares of common stock of the New Company and to pay therefor the sum of $14,075,000 in cash; but such number of shares of common stock and such payment shall be subject to proper adjustment, and by the Syndicate Managers shall be adjusted, by deducting therefrom such amount as shall be properly allowable because of any shares of such common stock taken by stockholders of the Illinois Co., the Minnesota Co. and the Elgin Co., under the offer to be made to them as provided in "First" hereof.

THIRD. On the complete performance of all his undertakings each Subscriber shall be entitled also to receive his ratable portion of 10,556 shares of the preferred stock of the New Company, when received by the Syndicate Managers.

FOURTH. J. P. Morgan & Co., shall receive as their compensation 14,075 shares common stock of the New Company, without accountability therefor to any subscriber hereunder.

FIFTH. All stock delivered to any Subscriber under any provision hereof shall be held by such Subscriber, for one year from the date of such delivery, subject to the control and call of the Syndicate Managers for purpose of sale on Syndicate account.

SIXTH. Suitable receipts or temporary certificates shall be accepted by Subscribers for all purposes hereunder. The Syndicate Managers may determine the form thereof.

SEVENTH. On signing this agreement, each Subscriber shall set opposite his name the amount of his subscription on account of the whole Syndicate obligation hereunder; and each Subscriber shall be called upon to make payments only to such aggregate amount as shall bear to the whole obligation of the Syndicate the same ratio as the amount of his subscription bears to $14,075,000; but to the full extent of his participation each Subscriber is so responsible, regardless of performance or non-performance by any other Subscriber. In

the same proportion each Subscriber shall be responsible for any losses and be entitled to any profits hereunder, but this provision shall not be construed to enlarge the maximum liability of any subscriber as hereinbefore expressed, except for his share of any expenses incurred by the Syndicate Managers in carrying out the undertakings of the Syndicate or in endeavoring to promote its interests hereunder.

In case of failure of any Subscriber to perform any of his undertakings hereunder, the Syndicate Managers shall have, and at their sole and exclusive option may exercise, the right to exclude such Subscriber from all interest in the Syndicate, and in their discretion they may dispose of the participation or of any securities, or of any interest in, or right to, any securities, belonging to such Subscriber, in such manner as they may see fit; and such Subscriber also shall be responsible to the Syndicate Managers for all damages caused by any such failure on his part.

EIGHTH. The Syndicate Managers shall be the sole managers of the Syndicate; and, in behalf of the Syndicate, they may make any and all arrangements and perform any and all acts (even though not herein provided for) in their opinion necessary or expedient to carry out the purposes of this agreement, or to promote or to protect what they deem to be the best interests of the Syndicate, including a public offer, or private or other sale, of all or any part of the stock delivered to the Subscribers hereunder, at any time within one year from the date of such delivery; such offer or sale to be either alone or as a part of an offer or sale embracing other stock, on such basis as the Syndicate Managers shall deem for the best interests of the Syndicate, and it may be made by themselves or through any other channel, and in such manner as they may deem proper.

Each Subscriber hereby assents to and agrees to be bound by any such action.

J. P. Morgan & Co. shall be entitled to charge the Subscribers one per cent. on the par value of all shares sold pursuant to Articles Fifth and Eighth hereof, in addition to all expenses incurred in connection with such sale.

NINTH. The enumeration of specific powers in this agreement shall not be construed as in any way abridging

any general power intended to be conferred upon, and reserved to, the Syndicate Managers.

TENTH. The Syndicate Managers shall not be liable under any of the provisions of this agreement, or in or for any matter therewith connected, except for good faith and for the exercise of reasonable diligence. It is understood, however, that they may become Subscribers hereto in the same manner as other Subscribers; and, as Subscribers, shall be liable for any subscription made by them.

ELEVENTH. Nothing herein contained, or otherwise, shall constitute the Subscribers partners, or shall render them liable to contribute more than such proportionate amount as herein provided.

TWELFTH. Each Subscriber will perform all his undertakings hereunder, from time to time, on call of the Syndicate Managers.

THIRTEENTH. The Syndicate Managers may rectify any errors, reconcile any inconsistencies and supply any omissions in this agreement and may from time to time and in any respect modify their contract with the Federal Company or any part of the plan herein or therein set forth in any way which in their discretion they shall deem for the best interests of the enterprise and not prejudicial to the interests of the Syndicate, and this agreement shall apply to said contract or plan as so modified, and the Syndicate Managers may incorporate into this agreement such changes and additions as shall be suitable for that purpose, but not in any way inconsistent with the first sentence of "*Seventh*" hereof.

FOURTEENTH. This agreement shall bind, and is for the benefit of, the parties hereto and their respective executors, administrators, survivors, successors and assigns.

IN WITNESS WHEREOF, the parties of the first part have hereunto affixed their signatures, and the parties of the second part have at various dates affixed their subscriptions hereto, it being understood that, for convenience, this agreement may be subscribed in several parts and copies with like force and effect as if all the subscriptions were to one part or copy thereof.

Government Exhibit No. 407.

(March 14, 1913.)

NATIONAL TUBE SYNDICATE.

AGREEMENT, dated the 22nd day of June, 1899, by and between

J. P. MORGAN & Co., of the City of New York, parties of the first part,

WILLIAM NELSON CROMWELL and EDMUND C. CONVERSE (hereinafter called the "Consolidation Purchasers"), parties of the second part, and

The SUBSCRIBERS hereto, severally (hereinafter called the "Subscribers" or "Syndicate"), parties of the third part:

WHEREAS, a corporation to be known as "National Tube Company" (hereinafter called the "Tube Company"), has been formed under the laws of New Jersey, which, subject to amendments or changes in the incorporation or otherwise, presently is to have a capital stock of $80,000,000, divided into shares of the par value of $100 each— viz., $40,000,000 of Common Stock and $40,000,000 of cumulative Preferred Stock, as to dividends limited to seven per cent. per annum, but, upon liquidation, entitled to payment of the par value of such Preferred Shares and of all accumulated dividends thereon out of the assets of the corporation before anything shall be paid therefrom to the holders of the Common Stock; and

WHEREAS, with the present approval of every party hereto each in his every capacity, the Tube Company is to issue to the Consolidation Purchasers its entire capital stock (except the directors' shares) in payment for such properties as have been, or as finally shall be, approved by the Bankers, and the Consolidation Purchasers will receive the same as owners thereof free from any accountability therefor, or for the proceeds thereof; and

WHEREAS, of the stock so to be acquired by them, the Consolidation Purchasers are willing to dispose of a portion not exceeding

75,000 shares Preferred Stock and } for a total considera-
37,500 shares Common Stock } tion of $7,500,000 in money;

and

WHEREAS, for the expected benefits therefrom, the parties of the first part and the parties of second part desire to form a Syndicate to provide Twelve million five hundred thousand dollars in money.

NOW, THEREFORE, This Agreement witnesseth that in consideration of the mutual promises herein contained and the expected benefits from the performance hereof;

FIRST. Upon receipt thereof the Consolidation Purchasers will sell and deliver to the Syndicate, and the Syndicate will take the following shares of stock of the "Tube Company":

75,000 shares of Preferred Stock,
37,500 shares of Common Stock

at and for the aggregate price of seven million five hundred thousand dollars in cash.

Such stock shall be delivered to J. P. Morgan & Co. for account of the Syndicate which shall pay therefor in cash through J. P. Morgan & Co.

It is understood and agreed, however, that, in case the Consolidation Purchasers shall so desire, they may, by notice in writing delivered to J. P. Morgan & Co. on or before August 1st, 1899, reduce the amount of this sale and purchase to any amount not less than

60,000 shares of Preferred Stock,
30,000 shares of Common Stock,

In that event the purchase price to be paid shall be reduced in like proportion; but such reduction of stock shall be made so that the Preferred Stock sold hereunder shall be twice the amount of the Common Stock so sold by the Consolidation Purchasers to the Syndicate.

SECOND. For account of the Syndicate, J. P. Morgan & Co. from time to time may make further undertakings of any kind with any persons concerning shares of either or both of the classes of stock of the Tube Company or may make further purchases thereof from the Consolidation Purchasers or in any market, or otherwise, at such prices on such terms, and in such amounts as they may deem expedient. Similarly and to such extent, and on such terms as from time to time they may deem expedient, J. P. Morgan & Co. may make loans to the Consolidation Purchasers or to the Tube Company.

The total cash sum of such loans, further purchases and transactions shall not at any one time exceed $5,000,000 unliquidated.

THIRD. J. P. Morgan & Co. shall be sole managers of the Syndicate. They shall have plenary and irrevocable power to consummate such purchases and all the purposes of this agreement. They may execute and issue in such form as they shall determine receipts or temporary certificates which for all purposes hereunder shall be accepted by the Subscribers. They shall be the sole judges as to the organization, capitalization and the status of the Tube Company and the terms and the form of the Capital Stock.

FOURTH. Nothing herein contained, or otherwise, shall constitute the parties hereto partners, or shall render any one of the Subscribers liable to contribute more than his several proportionate amount as herein provided.

On signing this Agreement each Subscriber shall indicate opposite his name the total sum of his subscription on account of the whole Syndicate obligation hereunder; and each Subscriber shall be called upon to make payments to such aggregate amount only as shall bear to the whole obligation of the Syndicate the same ratio that the amount of his subscription bears to $12,500,000; but to the full extent of his participation each Subscriber shall be so responsible, regardless of performance or non-performance by any other Subscriber. In the same proportion each Subscriber shall be responsible for any losses and shall be entitled to any profits hereunder; but this provision shall not be construed to enlarge the maximum liability of any Subscriber as herein expressed, except for his share of any expenses incurred by

J. P. Morgan & Co. in carrying out the undertakings of the syndicate or in endeavoring to promote its interests hereunder.

When and as requested by J. P. Morgan & Co., and without reference to the receipt or possession by J. P. Morgan & Co. or by the Subscriber of any stock hereunder, each Subscriber will make any and all payments, and will perform all of his undertakings under this agreement, and will do all things which by J. P. Morgan & Co. shall be deemed desirable to aid in the accomplishment of the purposes of this agreement.

FIFTH. In case of any failure of any Subscriber so to make any such payment or to perform any of his undertakings hereunder J. P. Morgan & Co. shall have, and in their sole and exclusive discretion they may exercise, for the benefit of any party hereto, the right to exclude such Subscriber from all interest in the Syndicate; and, in their discretion and in such manner as they may see fit, without any proceeding either at law or in equity, they may dispose of such Subscriber's participation hereunder or of any interest or right of such Subscriber in or to any stock. At any public sale J. P. Morgan & Co., or any party hereto, or any other person, may become purchaser without any accountability; but, notwithstanding any sale, whether public or private, such defaulting Subscriber shall be responsible to J. P. Morgan & Co. and to the Consolidation Purchasers for all damages caused by any failure on his part.

SIXTH. The enumeration of specific powers in this Agreement shall not be construed as in any way abridging any general power intended to be conferred upon, or to be reserved to, J. P. Morgan & Co.; it being intended to reserve to them and hereby there are distinctly conferred on them, in addition to the general and specific powers recited herein, all other general and specific powers which, from time to time, they may deem necessary in order fully and effectively to carry out what they may deem to be the purposes of this agreement and of this Syndicate, whether such purposes be herein expressed or not.

SEVENTH. J. P. Morgan & Co. shall not be liable under any of the provisions of this Agreement, or in or for any matter therewith connected, except for good faith in the exercise of their judgment in performing, or in refraining from performing and carrying out, the obligations by them herein expressly assumed; the implication of any obligation not herein expressly assumed by them being hereby expressly denied and waived. It is understood that in the same manner as other Subscribers they may become Subscribers hereto; that as such Subscribers they shall be liable for any subscription made by them; that they may charge compensation for any services to the Tube Company, or otherwise; and that they may receive from the Tube Company, or from the Consolidation Purchasers, or from all or any of them, any compensation or profit (whether growing out of this transaction or otherwise) without accountability therefor to the Syndicate or to any Subscriber, or to the Tube Company, or to the Consolidation Purchasers, or to any person or party interested in any part of this transaction or in the subject matter hereof. They may accept, and may deal with the Consolidation Purchasers or with either of them, as Subscribers, entitled to all rights and benefits hereunder like any Subscriber hereto.

EIGHTH. J. P. Morgan & Co. may rectify any errors, reconcile any inconsistencies and supply any omissions in this Agreement.

NINTH. The certificates of any stock of the Tube Company acquired hereunder by or for the Syndicate under Article First, Article Second or Article Tenth hereof, or otherwise hereunder, shall be held by J. P. Morgan & Co., and the same may be registered in their name or in the name or names of any person or persons whom from time to time they may select. While so held J. P. Morgan & Co. shall have the exclusive right, and hereby plenary power is conferred upon them to cause such stock to be voted, in their absolute discretion at all meetings of stockholders for any increase of the capital stock of the Tube Company and for any and all other purposes.

No Subscriber shall be entitled to receive any stock under this agreement until after the expiration of eighteen

months from the date hereof. In the meantime, in their discretion, J. P. Morgan & Co., either may themselves retain any and all such stock, or may deliver to any Subscriber his proportionate part thereof upon his agreement to hold the same subject to sale by J. P. Morgan & Co. at any time within said period of eighteen months.

Should any Subscriber desire to withdraw from sale the portion of stock to which he may be entitled hereunder, J. P. Morgan & Co., in their discretion, may deliver to any Subscriber his portion of such stock upon his agreement to hold the same for himself without sale during such period of eighteen months, or until the complete sale by J. P. Morgan & Co. at an earlier date of all stock held by or for the Syndicate.

At any time or times within eighteen months from the date hereof J. P. Morgan & Co., in behalf of the Syndicate, may make sales of all or any part of the stock accruing under Article First, Article Second and Article Tenth of this Agreement. Such sales shall be either of such stock alone or as a part of sales embracing other stock, and shall be at such prices and in such amounts and on such basis as J. P. Morgan & Co. shall deem for the best interests of the Syndicate; and J. P. Morgan & Co., or the Consolidation Purchasers, or all or any of them, may be interested in any purchase of such shares. Any sales may be made by J. P. Morgan & Co., either publicly or privately, or by themselves or through any other channel, and in such manner as they may deem proper. Each Subscriber hereby assents to, and agrees to be bound by, any such action.

J. P. Morgan & Company shall be entitled to charge Subscribers a commission of one per cent. in money on the par value of all shares sold by them, pursuant to any provision hereof, in addition to all expenses incurred in connection with such sale. J. P. Morgan & Co. shall be entitled to charge a like commission on any stock withdrawn from sale as permitted by this Article, and the Subscriber withdrawing such stock shall pay such commission.

TENTH. On the complete performance of his undertakings hereunder, each Subscriber shall be entitled to receive from the Consolidation Purchasers a commission or compen-

sation of seventeen and one-half per cent. on the sum of his subscription hereunder (regardless of the sum which he shall have been called upon actually to pay or to advance) payable in Common Stock of the Tube Company taken at par. Such stock shall be delivered to and may be held by J. P. Morgan & Co. as in Article Ninth hereof provided.

ELEVENTH. This Agreement shall bind, and is for the benefit of, the parties hereto, and their respective executors, administrators, survivors, successors and assigns; but no assignment hereunder shall be valid as against J. P. Morgan & Co. or the Consolidation Purchasers unless assented to in writing by J. P. Morgan & Co.

TWELFTH. In consideration of the irrevocable rights in them vested hereunder, J. P. Morgan & Co. have become parties to, and, in good faith, will endeavor to consummate the purposes of, this agreement, which, however, shall not become effective or binding for any purpose until subscriptions shall have been made for the aggregate cash sum of $12,500,000.

IN WITNESS WHEREOF, The parties of the first part and of the second part, severally, have hereunto affixed their signatures, and the parties of the third part have at various dates affixed their subscriptions hereto, it being understood that, for convenience, this Agreement may be subscribed in several parts and copies, with like force and effect as if all the subscriptions were to one part or copy thereof.

(sgd) J. P. MORGAN & Co.
as parties of the first part.

(sgd) WM. NELSON CROMWELL. } as Consolidation
(sgd) E. C. CONVERSE } Purchasers.

Government Exhibit No. 408.

(March 14, 1913.)

AMERICAN BRIDGE COMPANY

Syndicate Agreement

May 4th, 1900.

Agreement, dated the fourth day of May, one thousand nine hundred, by and between J. P. Morgan & Co., of the city of New York, parties of the first part, and the Subscribers hereto, as participants in the Syndicate hereby formed, severally parties of the second part, of whom each is hereinafter termed a Subscriber, and all of whom together with said parties of the first part constitute the Syndicate.

Whereas, the American Bridge Company is a corporation duly organized and existing under the laws of the state of New Jersey, with a capital stock of $70,000,000 divided into $35,000,000 par value of seven per cent. cumulative preferred stock (with preference as to capital and dividends) and $35,000,000 par value of common stock entitled to all sums set apart for dividends after the payment of said seven per cent. cumulative dividends on the preferred stock; and

Whereas, J. P. Morgan & Co. have entered into an agreement with I. Gifford Ladd, bearing date May 4th, 1900, a copy of which is hereto annexed as Exhibit A, which agreement provides for the purchase of $14,500,000 par value of the preferred stock and $7,250,000 par value of the common stock of said American Bridge Company, for the price or consideration of $14,500,000 in cash, it being agreed that the said amounts of preferred stock and common stock of said Company so to be purchased may be increased or reduced, as in said agreement provided, and that the aforesaid consideration shall thereupon be proportionately increased or reduced as the case may be; and

Whereas, for the expected benefits therefrom, the parties hereto desire to form a Syndicate to provide the said con-

sideration of $14,500,000 in money, or any increased consideration, and any additional funds that may be necessary or required as hereinafter provided:

Now This Agreement Witnesseth, that in consideration of the premises and of the mutual promises herein contained, including the consent and agreement of J. P. Morgan & Co., upon the terms and conditions herein set forth, to endeavor to form said Syndicate and to manage the same, the parties hereto agree, and the Subscribers severally agree with each other and with J. P. Morgan & Co., as follows:

First. The parties hereto agree to form a Syndicate with a fund or obligation of $14,500,000, for the purpose of carrying out the agreement to purchase $14,500,000, par value of the preferred stock and $7,250,000 par value of the common stock of said American Bridge Company, for the sum of $14,500,000 in cash; but, as provided in said agreement Exhibit A, the said amounts of preferred stock and common stock of said American Bridge Company to be purchased may be increased or reduced by J. P. Morgan & Co., in their discretion, and in that event the aforesaid consideration shall be proportionately increased or reduced, and the fund or obligation of the Syndicate shall be increased or reduced accordingly. Any such increase or reduction of stock shall be made only in such manner and to such extent that the amount of the preferred stock so to be purchased and received shall always be equal to twice the amount of the common stock so to be purchased and received. The Subscribers agree to take and pay for stock purchased under said agreement Exhibit A, ratably to the amount of their several subscriptions. This agreement shall not become effective until the whole obligation of the Syndicate, as finally determined, shall have been subscribed, and the subscriptions shall have been accepted by J. P. Morgan & Co., and before or after such acceptance by J. P. Morgan & Co., it may be rescinded by them, if for any reason in their discretion the purchase of said stock shall not be consummated.

Second. The Subscribers severally subscribe to the said fund or obligation of the Syndicate the sums written opposite their names respectively, and agree with the others, and with

each of them, and with J. P. Morgan & Co. and their successors, to pay their respective subscriptions, or any part thereof, promptly on call of J. P. Morgan & Co., to them at their office in the city of New York, or to any trust company designated by them in their discretion, at any time. J. P. Morgan & Co. may reduce the allotment of any Subscriber or of all Subscribers, proportionately or otherwise, or may exclude any Subscriber from participation in the Syndicate. J. P. Morgan & Co. may be Subscribers to the Syndicate, and to the extent of any such participation by them shall be liable hereunder, and in the same manner as other Subscribers shall be entitled to receive their ratable proportion of the preferred stock and common stock purchased and received under said agreement Exhibit A. Each Subscriber shall be liable only to the extent of his individual subscription, and as hereinafter provided, and, on partial call, shall be liable only for such proportion of his subscription as the whole amount called shall bear to the maximum obligation of the Syndicate, as finally determined. But, to the full extent of his participation, each Subscriber shall be so liable, regardless of performance or non-performance by any other Subscriber. Each Subscriber shall be liable solely to J. P. Morgan & Co. and their successors or assigns. Nothing contained in this agreement or otherwise shall constitute the Subscribers partners with one another or with J. P. Morgan & Co., or shall render any party liable to contribute in any event more than his several proportionate amount of any call as herein provided. Except as hereinafter stated, J. P. Morgan & Co. will make no charge for their compensation as against the Subscribers, but they shall be entitled to retain for their own use without any liability to account therefor such compensation or profit as they may obtain in the premises for forming, conducting or managing the Syndicate, or otherwise.

For all payments made hereunder when and as called by J. P. Morgan & Co., and not otherwise, each Subscriber shall receive in such form as J. P. Morgan & Co. shall determine, a suitable receipt or certificate entitling such Subscriber (not being in default hereunder) to participate *pro rata* in the benefits of the Syndicate hereby formed, and to receive his ratable portion of said stock of the American Bridge Company purchased under said agreement Exhibit A, or of the

proceeds of any sales thereof, when J. P. Morgan & Co. shall be prepared or shall determine to deliver or to distribute the same. From time to time, for account of the Syndicate, J. P. Morgan & Co. in addition to any increase of shares, to be purchased under said agreement Exhibit A, may make further undertakings of any kind, with any persons, concerning shares of either or both of the classes of stock of the American Bridge Company, or may make further purchases thereof from any person or persons whomsoever in any market or otherwise, at such prices or on such terms and in such amounts as they may deem expedient. The liability incurred for the Syndicate for such further purchases and transactions shall not at any one time exceed $2,000,000, and each Subscriber shall be liable for his proportion of such additional liability and shall pay the same on call of J. P. Morgan & Co. in the same manner as the moneys due on his subscription to the Syndicate, and in addition thereto.

The certificates of preferred stock and of common stock of the American Bridge Company acquired under any of the provisions of this agreement by or for the Syndicate shall be held by J. P. Morgan & Co., and the same may be registered in their name or in the name or names of their nominee or nominees from time to time. While so held, J. P. Morgan & Co. shall have the exclusive right, and hereby plenary power is conferred upon them, to cause such stock to be voted, in their absolute discretion, at all meetings of stockholders, for any increase of the capital stock of the said Company and for any and all other purposes.

Prior to November 1, 1901, no Subscriber shall be entitled to receive any stock hereunder, or the proceeds of any sales of shares sold. In the meantime, in their discretion, J. P. Morgan & Co. either may themselves retain any and all such stock, or may deliver to any Subscriber his proportionate part thereof upon his agreement to hold the same subject to sale by J. P. Morgan & Co. at any time prior to November 1, 1901, or may at any time distribute in whole or in part any profits or proceeds of shares sold.

Should any Subscriber desire to withdraw from sale the portion of stock to which he may be entitled hereunder, J. P. Morgan & Co., in their discretion, may deliver to any Subscriber his portion of such stock upon his agreement to hold

the same for himself without sale until November 1, 1901, or until the complete sale by J. P. Morgan & Co. at an earlier date of all stock held by or for the Syndicate.

At any time or times prior to November 1, 1901, J. P. Morgan & Co., in behalf of the Syndicate, may make sales of all or of any part of the stock purchased under any of the provisions of this agreement. Such sales may be either of such stock alone or as a part of sales embracing other stock, and may be made at such prices and in such amounts and on such basis as J. P. Morgan & Co. shall deem for the best interests of the Syndicate; and J. P. Morgan & Co. may be interested in any purchase or sale of such shares. Any sales may be made by J. P. Morgan & Co. either publicly or privately, or by themselves or through any other channel, and in such manner as they may deem proper. Each Subscriber hereby assents to, and agrees to be bound by, any such action.

J. P. Morgan & Co. shall be entitled to charge Subscribers a commission of one per cent. in money on the par value of all shares sold by J. P. Morgan & Co. pursuant to any provision of this agreement, in addition to all expenses incurred in connection with every such sale. J. P. Morgan & Co. shall be entitled to charge a like commission on any stock withdrawn from sale by any Subscriber as hereinabove permitted, and the Subscriber withdrawing such stock shall pay such commission.

On the complete performance of all his undertakings and the termination of the Syndicate, but not prior to November 1, 1901, except in the discretion of J. P. Morgan & Co., each Subscriber shall be entitled to receive his ratable portion of the said preferred stock and common stock of said American Bridge Company received by J. P. Morgan & Co. under said agreement Exhibit A, or purchased under this agreement, or of profits or the proceeds of any shares sold. Each Subscriber shall be entitled to receive from the said I. Gifford Ladd, a "commission" of thirty per cent. on the amount of cash actually paid in by him on account of his subscription to the fund or obligation of the Syndicate payable in common stock of the American Bridge Company taken at par, as provided in the said agreement Exhibit A; and such stock shall be delivered to, and may be held by J. P. Morgan & Co., or disposed of by them as hereinabove provided in respect of

stock purchased under said agreement Exhibit A. All profits and losses of the Syndicate shall be divided among Subscribers and shall be borne by them *pro rata* according to their respective participations; but this provision shall not be construed to enlarge the maximum liability of any Subscriber as herein expressed, except for his share of any additional shares purchased as hereinabove provided, or for expenses incurred by J. P. Morgan & Co. in carrying out the undertakings of the Syndicate or in endeavoring to promote its interests under this agreement.

THIRD. The Subscribers severally nominate and appoint J. P. Morgan & Co. their agents and attorneys irrevocable until the termination of this agreement and the final distribution of said stock of the American Bridge Company purchased or held hereunder to exercise all rights of stockholders in respect of said stock, and to enter into and execute any and all arrangements or agreements deemed by J. P. Morgan & Co. expedient or necessary to carry out and perform this agreement or the purchase of said stock, hereinbefore recited, and to accomplish the objects and purposes of this Syndicate. J. P. Morgan & Co. shall have the sole direction and management and the entire conduct of the business of the Syndicate, and shall have plenary and irrevocable power to consummate the said purchase of shares of the American Bridge Company, and to carry out the provisions of said agreement Exhibit A, and all the purposes of this agreement.

The enumeration of specific powers in this agreement shall not be construed as in any way abridging any general power intended to be conferred upon, or to be reserved to, J. P. Morgan & Co.; it being intended to reserve to them, and there are hereby distinctly conferred on them, in addition to the general and specific powers recited herein, all other general and specific powers which from time to time they may deem necessary in order fully and effectively to carry out what they may deem to be the purposes of this agreement and of the Syndicate, whether such purposes be herein expressed or not. J. P. Morgan & Co. may rectify any errors, reconcile any inconsistencies and supply any omissions in this agreement.

FOURTH. Each Subscriber hereby ratifies and assents to, and agrees to be bound by, any action of J. P. Morgan & Co. taken under this agreement, and agrees to make any and all payments and to perform his undertakings hereunder promptly on call of J. P. Morgan & Co. to the full extent of the amount alloted to him, and the additional amount hereinbefore provided; and each Subscriber will do all things which by J. P. Morgan & Co. shall be deemed desirable to aid in the accomplishment of the purposes of this agreement. The failure of any Subscriber to perform any of his undertakings hereunder shall not affect or release any other Subscriber. In case of the failure of any Subscriber to make any payment or to perform any of his undertakings under this agreement, J. P. Morgan & Co. may allow other persons or corporations to take the shares of the Subscriber so failing to perform his undertakings. Upon the failure of any Subscriber to make any payment or to perform any of his undertakings under this agreement, J. P. Morgan & Co. shall have, and in their sole and exclusive discretion they may exercise, the right at their option to exclude such Subscriber from all or from any further interest and participation in the Syndicate, and they may forfeit any payments he may have heretofore made under this agreement, or in their discretion, and in such manner as they may see fit, without any proceeding either at law or in equity, they may dispose of such Subscriber's participation under this agreement or of any interest or right of such Subscriber in or to any stock or the proceeds of any sales of shares sold. At any public sale, J. P. Morgan & Co. or any party hereto, or any other person, may become purchaser without any accountability; but, nevertheless, J. P. Morgan & Co. shall have the right to hold any defaulting Subscriber liable for, and to recover, all damages caused to the Syndicate by his failure to perform.

The powers conferred upon, and the rights reserved by J. P. Morgan & Co. under this agreement are by all parties recognized as essential for the protection not only of the general interest of all the Subscribers, but also for the protection of the special right and interest of J. P. Morgan & Co., who by their assumption of their position hereunder have acquired a special right and interest hereunder beyond that of a mere agency.

This agreement shall bind and shall benefit ratably according to the amount of the several allotments not only the parties hereto, but their respective executors, administrators, successors, survivors and assigns. The acceptance of allotments of participation in the Syndicate, or the holding of a receipt or certificate issued by said J. P. Morgan & Co. under this agreement, shall constitute allottees or holders parties to this agreement as fully, to all intents and purposes, as if they had duly signed the same.

FIFTH. Any Subscriber may assign or transfer his subscription, or any part thereof, on books to be kept for that purpose by J. P. Morgan & Co., upon surrender of his receipt or certificate duly endorsed for transfer; but no transfer shall be valid for any purpose nor entitle any third party to any right under this agreement unless duly made upon said books. By accepting such transfer and assignment, each successive transferee or assignee shall become and be bound by the provisions of this agreement and shall be subject to its conditions and provisions as though he had executed the same as one of the original Subscribers. But no assignment or transfer shall have the effect to release or discharge any original Subscriber from his liability upon his subscription, wholly or in part, unless J. P. Morgan & Co. shall in writing consent to such release or discharge.

Books shall be kept by J. P. Morgan & Co., in which shall be recorded the addresses of such of the Subscribers as shall furnish the same. Any notice under this agreement from J. P. Morgan & Co. to Subscribers, or to any of them, shall be deemed to have been duly given if mailed to Subscribers or assignees of record upon the said books, directed to the addresses so furnished; and J. P. Morgan & Co. shall be under no obligation to ascertain the address of, or to give notice to, any party who shall not have so furnished his address.

The provisions of this agreement shall be deemed to apply to the firm of J. P. Morgan & Co. or its successor as at present or hereafter constituted, and they shall not be liable under any of the provisions of this agreement in or for any matter therewith connected, except only in case of individual want of good faith in the exercise of their judg-

ment in performing or in refraining from performing and carrying out the obligations by them herein expressly assumed; the implication of any obligation not herein expressly assumed by them being hereby expressly denied and waived.

An original hereof shall be signed by J. P. Morgan & Co. and lodged with themselves at their office in the city of New York, and counterparts may be signed by Subscribers, and all shall be taken and deemed one original instrument.

IN WITNESS WHEREOF, J. P. Morgan & Co., parties of the first part hereto, have subscribed an original hereof, and the Subscribers, parties of the second part hereto, have subscribed said original or a counterpart thereof, as of the day and year first above written, or have become parties hereto by accepting allotments of participation under this agreement, or by holding receipts or certificates of participation as aforesaid.

J. P. MORGAN & CO.

Name of Subscriber.	Address of Subscriber.	Amount of Subscription.

EXHIBIT A.

AN AGREEMENT made and entered into at the city of New York on the Fourth day of May, A. D. one thousand nine hundred, by and between I. GIFFORD LADD, of the city of Providence, in the state of Rhode Island, party of the first part, and the firm of J. P. MORGAN & Co., of the city of New York, parties of the second part.

WHEREAS, the party of the first part has acquired or is entitled to receive a large amount of the full paid and non-assessable shares of preferred stock and common stock of the AMERICAN BRIDGE COMPANY, a corporation organized under the laws of the state of New Jersey, with a capital stock of $70,000,000, divided into $35,000,000 par value of seven per cent. cumulative preferred stock and $35,000,000 par value of common stock, and the party of the first part is entitled to hold and to dispose of the said shares of preferred stock and common stock for his own use and without accountability or responsibility in respect thereof to any person or corporation whomsoever; and

WHEREAS, it is proposed that the parties of the second part shall act under a proposed Syndicate Agreement to bear even date herewith, a copy of which is hereto annexed; and

WHEREAS, the party of the first part, out of the said shares of preferred stock and common stock which he has so acquired or is entitled to receive, desires to sell to the parties of the second part, acting under said Syndicate Agreement, the shares of preferred and common stock hereinafter mentioned:

NOW THIS AGREEMENT WITNESSETH, that the parties hereto, for and in consideration of the premises and of the agreements hereinafter recited, and of the sum of ten dollars to each paid by the other, the receipt whereof is hereby acknowledged, have agreed, and hereby do agree, as follows:

FIRST. The party of the first part agrees to sell, assign, transfer and set over unto the parties of the second part, acting under said Syndicate Agreement, $14,500,000 par value of full-paid non-assessable seven per cent. cumulative pre-

ferred stock of said AMERICAN BRIDGE COMPANY and $7,250,000 par value of full-paid non-assessable common stock of said company, for the sum or consideration of $14,500,000 in cash, payable on demand; and the party of the first part agrees to deliver to the parties of the second part certificates for said shares of stock of the AMERICAN BRIDGE COMPANY, duly and properly endorsed in blank, immediately upon the payment of the purchase price therefor.

SECOND. To the extent of their authority acting for and on behalf of the said Syndicate, the parties of the second part will take from the party of the first part, and upon receipt thereof will pay for valid certificates for shares of full paid and non-assessable preferred stock and common stock of the AMERICAN BRIDGE COMPANY as herein provided; it being however, expressly agreed that in the exercise of their sole discretion, as representing the Syndicate, the said amounts of preferred stock and common stock of the AMERICAN BRIDGE COMPANY so to be purchased and received hereunder may be increased (but not to more than 150,000 shares of preferred stock and 75,000 shares of common stock), or may be reduced (but not to less than 120,000 shares of preferred stock and 60,000 shares of common stock), but only in such manner and to such extent that the amount of the preferred stock so to be purchased and received hereunder shall always be equal to twice the amount of the common stock so to be purchased and received; and in case of any such increase or any such reduction, the consideration payable hereunder shall be correspondingly and ratably increased or reduced, as the case may be; it being intended that the price payable for all stock so received hereunder by the Syndicate shall be at the rate indicated therefor in the First Article of this Agreement.

THIRD. To induce participations in the Syndicate, the party of the first part further agrees to pay to the parties of the second part, for account of the Syndicate participants, a "commission" in full paid non-assessable common stock of the AMERICAN BRIDGE COMPANY (out of the stock by him received as aforesaid), which at the par thereof shall be equal to thirty per centum on the respective sum or sums which participants in the said Syndicate Agreement may be called upon actually to pay or to advance upon their several subscriptions.

FOURTH. The party of the first part further agrees to pay to the parties of the second part their disbursements and expenses for legal services, printing, engraving, stationery and postage, and all other incidentals, necessarily incurred by them at any time, acting under the said Syndicate Agreement.

FIFTH. This agreement shall bind the executors and administrators of the party of the first part, and the successors and assigns of the parties of the second part, whose engagement and rights hereunder are those of partners and are to be borne and enjoyed by the present firm of J. P. Morgan & Co. or any successor firm however constituted.

SIXTH. At any time within six months from the date hereof, the parties of the second part shall have the right, and hereby they reserve the right, to rescind and to withdraw from this agreement by written notice of such withdrawal addressed and mailed to the party of the first part at the Waldorf-Astoria Hotel, New York, if, in the opinion of the parties of the second part, the formation of such Syndicate shall become impracticable. But in the event of such withdrawal, the parties of the second part shall pay to the party of the first part the sum of one thousand dollars.

IN WITNESS WHEREEOF, the party of the first part has hereunto set his hand and seal, and the parties of the second part have caused these presents to be executed in their firm name, the day and year first above written.

I. GIFFORD LADD. (L. S.)
J. P. MORGAN & CO.

In presence of:
PAUL E. DE FERE.

Government Exhibit No. 409.

(March 14, 1913.)

THE PRESIDENT OF THE UNITED STATES OF AMERICA:

To

J. P. MORGAN & COMPANY;
UNITED STATES STEEL CORPORATION;
OLIVER MINING COMPANY;
OLIVER IRON MINING COMPANY;
LAKE SUPERIOR CONSOLIDATED IRON MINES;
J. P. MORGAN, JR.;
CHARLES STEELE;
CHARLES M. SCHWAB;
JAMES GAYLEY;
H. C. FRICK;
D. G. KERR;
H. P. DAVISON (of J. P. Morgan & Co.);
ROBERT BACON;

GREETING:

WE COMMAND YOU, that all and singular business and excuses being laid aside, you and each of you appear and attend before Honorable Henry P. Brown, a Special Examiner, duly appointed by Honorable George Gray, Honorable Joseph Buffington and Honorable John B. McPherson, United States Circuit Judges for the District of New Jersey, at a hearing to be held by said Special Examiner, at Room 2015, No. 71 Broadway, New York City, on the eleventh day of March, 1913, at 10:30 o'clock in the forenoon, to testify and give evidence in a certain cause between the United States of America and the United States Steel Corporation and others, now pending undetermined in the District Court of the United States for the District of New Jersey, on the part of the United States, and not to depart without the leave of said Special Examiner, or of counsel for the United States; and that you bring with you and produce at the time and place aforesaid the following papers:

All agreements between J. P. Morgan & Company and William Nelson Cromwell and E. C. Converse, or the United

States Tube Company, defining Morgan & Company's rights and obligations as bankers, in any way relating to the United States Tube Company or the National Tube Company;

Organization agreement dated September 23, 1897, for proposed $75,000,000 consolidation in respect to the acquisition of certain wire properties, signed by E. H. Gary and Garrett Ten Broeck, parties of the first part, and J. P. Morgan & Company, bankers, parties of the second part. (Copy of this agreement contained in Parks-Gates record.)

All reports, papers, correspondence and memoranda made by James Gayley, or any other person, to the United States Steel Corporation, or any of its officers or subsidiaries, in regard to the proposed acquisition of the Tennessee Coal, Iron & Railroad Company prior to the acquisition by the United States Steel Corporation of the said Tennessee Coal, Iron and Railroad Company.

All correspondence or other memoranda relating to the negotiation of the Hill Ore Lease, together with all reports made by or to the Special Committee consisting of Messrs. Gary and Frick, said Committee having been appointed to carry on negotiations with the Hill interests for the acquisition of the Hill ores.

All agreements and understandings between John D. Rockefeller and J. P. Morgan & Company relating to the acquisition of stock in the Lake Superior Consolidated Iron Mines for the United States Steel Corporation, at an agreed cash price for said stock in said Lake Superior Consolidated Iron Mines; together with all memoranda relating thereto.

All agreements and understandings between the Carnegie interests or C. M. Schwab, Andrew Carnegie, or other stockholders in the Carnegie Company of New Jersey, or any of them, on the one hand, and J. P. Morgan and Company, or other parties acting in behalf of J. P. Morgan & Company, or the United States Steel Corporation, or J. P. Morgan, or any of them, on the other hand, relating to the acquisition of the stock of Andrew Carnegie in said Carnegie Company of New Jersey, and the stock of other stockholders in said latter company, for an agreed cash price for said stock, together with all memorandum relating thereto.

All appraisals and valuations of the various properties

acquired by the American Bridge Company at or about the time of its formation, submitted to J. P. Morgan & Company.

All estimates made by Sellwood, Hulst, or others, in respect to the amount of ore contained in certain or all of the property of the various companies whose stock was acquired by the United States Steel Corporation, at or shortly after its formation, and submitted to J. P. Morgan & Company, or other parties acting in behalf of them, or the United States Steel Corporation; together with all other ore estimates and appraisals of ore submitted to J. P. Morgan & Company, or the United States Steel Corporation, at or about the formation of the United States Steel Corporation.

All papers, reports, appraisals, financial statements or other documents submitted to J. P. Morgan & Company in connection with the organization of the United States Steel Corporation, bearing upon the character and value of the properties to be taken into said Corporation.

Now in your possession or under your control.

For a failure to attend you and each of you will be deemed guilty of a contempt of Court and liable to pay all loss and damage sustained thereby to the party aggrieved, and to forfeit two hundred and fifty dollars, in addition thereto.

WITNESS, The Honorable the Judges of the District Court of the United States for the Southern District of New York, at the City of New York, the third day of March, 1913.

ALEX GILCHRIST, JR.,
Clerk.

HENRY A. WISE,
United States Attorney.
(SEAL.)

Government Exhibit, Kerr, No. 410.

(March 18, 1913).

CARNEGIE STEEL COMPANY.
NEW YORK OFFICE.

APRIL 25TH, 1901.

Ore Reserves:
MR. C. M. SCHWAB, President,
Building.

DEAR SIR:

Enclosed please find an estimate of the ore reserves on the various ranges owned or controlled by the United States Steel Corporation. These estimates, I believe, will eventually prove to be minimum. There is a great deal of land in Minnesota well located on the ore formation which it has not been necessary to explore, which from its position and relation to well developed properties, makes it almost certain that valuable deposits will be found.

Of the total quantity of ore, it will be noted that 526,000,000 tons in Minnesota is available for shipment over the railroads controlled by this Corporation.

The total requirements for this season by the United States Steel Corporation, is approximately 11,400,000 tons, and the carrying capacity of our combined steamship interests is 9,570,000 tons.

If there is any more detailed information which you require, please advise me.

Yours very truly,
First Vice President.

ORE RESERVES; Mr. C. M. Schwab, April 25th, 1901.
CARNEGIE STEEL COMPANY.
NEW YORK OFFICE.

ORE RESERVES, UNITED STATES STEEL CORPORATION:

MINNESOTA:

	Tons.	Tons.
Mesaba Range Ores	492,000,000	
Vermillion " "	34,000,000	526,000,000

MICHIGAN:		
Marquette Range Ores	30,000,000	
Gogebic " "	20,000,000	
Menominee " "	35,000,000	85,000,000
WISCONSIN:		5,000,000
		616,000,000
OTHER LOW GRADE ORES containing 40. to 50.% Iron, in MICHIGAN,		24,000,000
		640,000,000